

## COLLECTOR OF CUSTOMS.

Edward W. Durant, jr., to be collector of customs for the district of Charleston, in the State of South Carolina.

## PROMOTIONS IN THE REVENUE-CUTTER SERVICE.

Cadet Engineer Charles Edward Sugden to be third lieutenant of engineers in the Revenue-Cutter Service.

Cadet Engineer Benjamin Curtis McFadden to be third lieutenant of engineers in the Revenue-Cutter Service.

Cadet Engineer Francis Ellery Fitch to be third lieutenant of engineers in the Revenue-Cutter Service.

Cadet Engineer Kurt Wolfgang Krafft to be third lieutenant of engineers in the Revenue-Cutter Service.

## PROMOTIONS IN THE NAVY.

Lieut. Hilary Williams to be a lieutenant.

Commander De Witt Coffman to be a captain.

Commander Thomas D. Griffin to be a captain.

Lieut. Commander Charles M. McCormick to be a commander.

The following named ensigns to be lieutenants (junior grade):

David McD. Le Breton,

Carl A. Richter,

Husband E. Kimmel,

Robert A. Dawes,

Arthur G. Caffee,

Clyde S. McDowell,

Charles C. Soule, jr., and

Luman E. Morgan.

The following named lieutenants (junior grade) to be lieutenants:

David McD. Le Breton,

Carl A. Richter,

Husband E. Kimmel,

Robert A. Dawes,

Arthur G. Caffee,

Clyde S. McDowell,

Charles C. Soule, jr., and

Luman E. Morgan.

Second Lieut. Allen M. Sumner to be a first lieutenant in the Marine Corps.

## CHAPLAIN IN THE NAVY.

Hugh M. T. Pearce to be a chaplain.

## RECEIVER OF PUBLIC MONIES.

John C. Ing to be receiver of public moneys at Sacramento, Cal.

## POSTMASTERS.

## ARIZONA.

Frank E. Smith, at Jerome, Ariz.

## CALIFORNIA.

Ora R. Miller, at El Centro, Cal.

Flora B. Reynolds, at Mill Valley, Cal.

## ILLINOIS.

Edgar N. Carter, at Oakland, Ill.

Edward Cole, at Marshall, Ill.

R. E. Mabry, at Fairfield, Ill.

Milton M. Pate, at Sandoval, Ill.

## IOWA.

William Stuart, at Armstrong, Iowa.

## KANSAS.

Elva B. Hilton, at Attica, Kans.

Charles S. Raines, at Galena, Kans.

## KENTUCKY.

Mike Hughes, at Shelbyville, Ky.

## MASSACHUSETTS.

William R. Brooks, at Beverly Farms, Mass.

Fred D. Walker, at Belchertown, Mass.

## MINNESOTA.

Charles G. Spaulding, at Mapleton, Minn.

Robert S. Tucker, at Lake Benton, Minn.

## MISSOURI.

Sebastian Netscher, at Pacific, Mo.

James F. Rhea, at Dixon, Mo.

## MONTANA.

Eugene R. Clingan, at Belt, Mont.

Paul C. Long, at Taft, Mont.

## NEW YORK.

William L. Cooke, at Edmeston, N. Y.

Peter S. Krum, at Afton, N. Y.

Isaac M. Smith, at Alden, N. Y.

Charles M. Walrath, at Ellicottville, N. Y.

Nathan P. Wild, at Valatie, N. Y.

## OREGON.

Byron A. Washburne, at Springfield, Oreg.

## PENNSYLVANIA.

James C. McGregor, at Indiana, Pa.

Frank A. Springer, at Belle Vernon, Pa.

## TEXAS.

George W. Crossman, at Garland, Tex.

Thomas H. Danforth, at Goliad, Tex.

Joseph Fohn, at Hondo, Tex.

Mary S. Parish, at Huntsville, Tex.

James B. Seargent, at Orange, Tex.

S. P. Stubbs, at Lubbock, Tex.

## WASHINGTON.

DeWitt C. Hostetter, at Sumner, Wash.

## WEST VIRGINIA.

J. F. Hudson, at Charleston, W. Va.

## WISCONSIN.

Christian A. Hansen, at Stoughton, Wis.

## WITHDRAWAL.

*Executive nomination withdrawn from the Senate March 29, 1909.*

## UNITED STATES DISTRICT JUDGE.

Thomas R. Lyons, of Alaska, to be United States district judge, first division, district of Alaska.

## HOUSE OF REPRESENTATIVES.

MONDAY, March 29, 1909.

The House met at 10 o'clock a. m.

Prayer by the Chaplain, Rev. Henry N. Couden, D. D.

The Journal of Saturday's proceedings was read and approved.

## THE TARIFF.

Mr. PAYNE. Mr. Speaker, I ask unanimous consent for general leave to print on House bill 1438 up to ten legislative days after the final vote on the passage of the bill in the House.

Mr. CLARK of Missouri. The vote on this bill, and when it passes the House?

Mr. PAYNE. The final vote on this bill in the House.

Mr. CLARK of Missouri. That is this particular bill pending here now?

Mr. PAYNE. I do not mean after the conference report comes in, or anything of that kind, but after the passage of this bill.

Mr. CLARK of Missouri. I just wanted to have it clear.

The SPEAKER. The gentleman from New York asks unanimous consent for general leave to print on this bill for ten days after the passage of the bill by the House. Is there objection?

Mr. PAYNE. Upon the subject of the bill.

The SPEAKER. On this bill. The Chair hears no objection.

Mr. PAYNE. I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 1438.

The question was taken, and the motion was agreed to.

The House accordingly resolved itself into Committee of the Whole House on the state of the Union, Mr. OLMSTED in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union, for the further consideration of the bill H. R. 1438, the tariff bill.

Mr. FURNES. Mr. Chairman, I desire to be as brief as possible in calling the attention of the House and the country to what, in my judgment—formed by many years of business experience and observation in our country and abroad—are grave defects, and consequently unjust conclusions of facts, in the pending tariff bill. If tariff is a tax, as it truly is, then the bill proposed may well be defined as a dishonest tax on the many for the benefit of the favored few. The difficulties existing and ever arising in obtaining the necessities of life and the comforts of home ever have been, and ever will be as long as the world exists, the life struggle of the masses against vested advantages of special struggle of the masses against vested advantages of special classes. If this bill becomes a law, then I predict that the advantage of the favored classes will be more pronounced and that the laborer, the mechanic, the agriculturist, the small manufacturer, and the commercial house will meet greater difficul-

ties in earning a fair livelihood. The necessities of life are agricultural products and provisions. Schedule G of the contemplated tariff bill increases the taxation on these from \$18,161,265 to \$32,171,658, an increase of \$14,010,393, and on cotton products, the poor man's wearing apparel, and largely house furnishing material, \$1,056,847. The greater amount of the fourteen-million increase consists of the proposed duty on tea, namely, eight million.

Mr. Chairman, it has been, and still is, a proverbial rule that only about 5 per cent of commercial men are successful; that is, gain a fair livelihood and accumulate enough for old age and family demands. The record of time has established few exceptions to this calculation, hence we may assume that 95 per cent of the people must render lifelong labor for self-support. Two items alone in the bill submitted by the Republican members of the Ways and Means Committee impose an additional cost of \$15,060,240 annually upon the laboring classes. Is this just? Is it honorable? It may be, according to the doctrine and practices of the Republican party—to protect the interests of the favored few at the cost of the many, to enrich the rich and impoverish the poor. When compared, how noble and beneficent seem the doctrines of Democracy to-day, and as they have ever been—watchful of the welfare of the masses, lessening their costs of necessities of life, and so increasing the value of their labor and business interests.

I admit the necessity of sufficient revenues for the effective and economical support of the Government, but I do not for one moment admit the justice of the Republican doctrine as again exemplified in the so-called "Payne bill," of a protective tariff and only inasmuch as affects the difference of cost of labor. In this respect I may properly quote the excellent theory of Daniel Webster, pronounced in his great speech in Faneuil Hall in 1820, referring to the policy of protection. He stated:

To individuals, this policy is as injurious as it is to the Government. A system of artificial protection lends to the people too much reliance on the Government. If left to their own choice of pursuits, they depend on their own skill and industry. But if the Government essentially affects their occupations by its systems of bounties and preferences, it is natural, when in distress, that they should call on the Government for relief. Hence a perpetual contest carried on between the different interests of society. Agriculturists taxed to-day to sustain manufacturers, commerce taxed to-morrow to sustain the agriculturists, and their impositions, perhaps, on both manufacturers and agriculturists to support commerce. And when the Government has exhausted its invention in these modes of legislation, it finds the result less favorable than the original and natural state and course of things.

He could hardly conceive of anything worse than a policy which should place the great interests of the country in hostility to one another—a policy which should keep them in constant conflict and bring them periodically to fight their battle in Congress. A protective tariff never has and never can give stability and satisfaction to its own beneficiaries. Its natural aim is to attain a prohibitive figure. For instance, consider the demands of our woolen manufacturers to-day—demanding the same protection they now possess and have since 1897—and are promised it, because I believe the Ways and Means Committee at the hearings, it seems, heard only those witnesses who were favorable to the retention of the present tariff, excepting on the very low grades of woollens. I have frequently visited important sections of woolen factories in Europe, purchasing from the manufacturer; and from information obtained there, declare wages in the mills there are not 100 per cent lower than in our woolen mills, as stated at the hearings.

Forty per cent higher is an extreme figure. Owing to improved machinery, lower rate of interest, lower rate of freight, greater skill of our weavers, lower cost of material, it seems to me preposterous for our manufacturers to claim that they need or will need in the future as high a tariff as the present law imposes. When I note the statements and demands of the National Association of Wool Manufacturers, how verified become the predictions made by Daniel Webster in 1820, how significant the patriotic declaration made by the wool manufacturers in 1857, when it was proposed to increase the duty on woollens, stating, "Let us alone." The fact should not be overlooked that a hundred per cent tariff on woollens prevents fair competition; hence increases the price to the consumer, which is again a burden on ninety-five out of every hundred people of our country. To justify their request to retain the present tariff, they call attention to the small dividends paid by the mill corporations, but they do not allude to the over-capitalization or gross profits. Why should the duty on wool remain nominally the same? Is it to help the meat trust? Is it to prevent our wool manufacturers selling in the markets of the world, thereby gaining wealth for our country and a larger demand for labor? In 1908 the wool production was 311,000,000

pounds. The normal demand of our wool manufacturers is quoted to be 500,000,000 pounds annually; hence we import about 200,000,000 pounds, realizing a revenue of about \$20,000,000. Suppose the manufacturer could obtain his wool 10 per cent cheaper; then it would eliminate the \$20,000,000 tariff outlay and, reducing the ad valorem duty on imported cloth from 50 to 40 per cent, it would, I feel confident, still enable the American manufacturer to protect wages and, moreover, sell in the foreign markets. Again, why should the woolgrowing industry receive a bounty of fully 30 per cent? Surely the trifling expenditure of cost of labor to feed and shear a flock of sheep does not warrant it; nor does the higher cost of grazing land in our country as compared with similar land and shipping facilities in other sections of the world. The wool schedule ought to be reduced fully 20 per cent. It would be no injustice, and it would reduce the cost of clothing to the millions only earning a bare existence. When we contemplate the principal sources of our wool production and find that of the 311,000,000 pounds produced in 1908 271,000,000 pounds were grown in so-called "safe" Republican States, about 20,000,000 in doubtful States, and the balance in Democratic States, the tenacity with which the Republican party adheres to its policy of pretended protective tariff on wool is very clear and significant.

It can not or will not understand that the wisest commercial policy is and ever will be for any nation having the natural resources we possess to so apply them that the finished product thereof can be sold in the markets of the world, and if so, home consumption can be obtained at the least cost. The expansion of trade creates an active and steady labor market. Reduced cost of living and steady employment more than equalizes a slight reduction per centage of wages. Our cotton mills compete successfully with the manufacturers of the world, pay relatively as high wages as are paid in any industry, and why? Simply because they obtain the raw material as cheap as do their competitors. American genius, coupled with the best mill equipments, has made our cotton products the foremost in the world's market value. An unbiased, scientific, just tariff on our wool and woollens would soon place our wool manufacturers in the same proud position. Even if it would increase importation, it would not only proclaim to all the people our conception of the best and broadest "international commercial policy" is to sell in all markets possible, and not prohibit foreign markets on account of our excessive tariff to sell to us. To "live and let live" is as good a motto between nations as between individuals. If our woolen manufacturers could, under a just and liberal tariff, sell but 5 per cent of their four hundred millions of annual production in foreign markets and importations would be increased by that amount it would not only stimulate international trade, but it would add to the Government's revenue at least fifteen millions of dollars, thereby making it entirely unnecessary to put the extremely unjust tariff of 8 cents a pound on tea or any tax on coffee and lumber. In this connection I desire to express my emphatic disapproval of a specific tax on tea. If it is to be taxed, it should be on an ad valorem basis, thereby increasing the cost only as the value increases. Mr. Chairman, a further study of the bill shows only an increase of 3½ per cent on imported spirits and wines. If the proclaimed object of the revision of the tariff is to raise sufficient revenue to meet the government expenditures is true, then, in all fairness, why was not the duty raised at least 10 per cent on such a luxury as champagne? It surely would not affect the poor man's pocket as will the tariff on tea, coffee, chicory, also women's wearing apparel, or an increased tariff on beer, the people's beverage, and already excessively taxed for local and national revenue.

The increased duties average fully 50 per cent on many family necessities, but champagne, a prominent item in the spirit and wine schedule, pays a duty of about 40 per cent of its value, as heretofore. The several petitions I received, signed by hundreds of honored citizens, residents of my district, protesting against the contemplated unjust tax on tea and coffee, should be heeded by Congress, because their appeal is most considerate and just. In place of an inheritance tax, which is already imposed by most of the States of the Union, and justly so, because the property is subject to the jurisdiction and responsibilities of the state or local government, the National Government could properly impose a tax of 2 per cent on dividends paid by all corporations, whether incorporated by national or state laws. It would be least burdensome and uniformly collected at a minimum cost. In this connection I desire to state that I have always been of the opinion that a graded income tax for national revenue is proper, based on property value, because the peaceful possession and protection of such property of a citizen, wherever situated, is guaranteed by



the Government. The greater the extent and value of such property, the greater the degree of responsibility of the Government, and therefore the justice of a varying percentage on a personal income. The proper schedule, in my judgment, would be one-half of 1 per cent on an income of less than \$1,000 annually, 1 per cent on \$1,000 to \$2,000, 1½ per cent on \$2,000 to \$4,000, 2 per cent on \$4,000 to \$6,000, 2½ per cent on \$6,000 to \$10,000, 3 per cent on \$10,000 to \$20,000, 3½ per cent on \$20,000 to \$40,000, 4 per cent on \$40,000 to \$60,000, 4½ per cent on \$60,000 to \$100,000, 5 per cent on \$100,000 and over. I am fully aware that objections are made to an income tax on account of its doubtful constitutionality and also its inquisitorial nature. In answer to such objections, I will state regarding the first one, if it is illegal it should be legalized by a constitutional amendment; the second one, that it is no more of a personal nature than is a personal tax. I have full faith in the honesty of our American citizenship, therefore believe it would be readily and conscientiously paid. It would at all times produce sufficient revenue for urgently needed improvements of our waterways and the creation of new ones, especially the proposed ship canal connecting Lake Erie with Lake Michigan, thereby lessening freight charges, hence decreased cost to the consumer, and the enlargement of exportations, and thus a rapid increase of the Nation's wealth. I sincerely believe that the suggestions contained in these brief remarks are worthy of the serious consideration of Congress, to the end that taxes should be levied where they are least burdensome.

Mr. GOULDEN. Mr. Chairman, the various schedules of the proposed tariff bill, known as the "Payne measure," have been thoroughly thrashed out since its introduction a week or more ago.

I shall not confine myself strictly to the bill, but discuss the principles on which the fabric rests.

Of recent years the so-called "economic interpretation" of history has been making headway among the students of the human race and its civilization; and beyond question there is a great measure of weight back of the principle that human progress and uplift from savagery has been furthered more by economic desires than by any other measure of progress or civilization, with the possible exception of religion. The desire to soften the hardships of life by the good things which nature affords, rather than by intellectual indifference or by the religious promise of rewards in a future life, is surely a natural and, at the same time, a grand conception. The wrestling of prosperity from nature and the protection of each man in the happiness thus earned is a sufficient aim in life for individuals and governments, and may be the key to all future progress.

But without going to the full lengths of the advocates of the economic interpretation of human history, we know that nothing so concerns us as the compensation we receive for our labors and the limitations put upon this compensation in the way of cost of living, taxes for protection against all other creatures, and the liberty we enjoy in the use or distribution of any excess or surplus.

And it is for these very reasons that the tariff question is of such grave importance to the American people. Besides providing for the expenses of government by taxation, it touches the pockets of the people in so many other ways under present conditions as to have become a means of embarrassment to some, misery to many, and oppression to all.

It is astonishing that the question is so little understood, in spite of the fact that it affects the entire country, and has been the shuttlecock of the political parties for years. But here is some justification for this lack of knowledge when we consider how little the real purpose of a tariff is mentioned in the discussions of it.

In the past year an immense mass of matter on this subject has pervaded the country; the newspapers have been filled with it, associations and societies have discussed it, many people have issued their views in interview or pamphlet, or have addressed meetings or talked at dinners. But always and everywhere the tariff has been spoken of in its relations with trade and commerce and industry and manufactures; its effects on prices and wages, on cost of living, on trade balances, have been feelingly referred to; and blood has almost been spilled over questions of increased or decreased schedules, and their ability to open new markets or their tendency to cripple infant industries.

And yet all these things are merely incidentals to a tariff; it is necessary to raise funds for the expenses of government, and a tax on imports is one of the methods. The internal-revenue tax never seems to excite anybody, nor lead to party disputes. The raising of revenue is the only excuse for such a tax on imports, and is the only constitutional authority for Congress to thus tax the consumers. But this essential of a

tariff is never mentioned, and the merely incidental features have grown apparently into the principal place, and in this conflict over incidentals the people are distracted from the truth.

Another regrettable feature of the tariff discussion is the inconsistency of the various organized bodies of standpatters; they can not agree among themselves as to just what they want, except a general higher scale of schedules; and they fill the public prints with their petty quarrels and expect the American people to feel deeply interested. Perhaps their real intention is to fool the people into a forgetfulness of the real nature of the question, and to keep them committed to a tariff for the protection of American capitalists. The old, old story of protection to infant industries is no longer used to deceive the voters of the country.

Let us hope that the time has arrived when the people can no longer be fooled by such Punch and Judy methods; the manufacturers and capitalists should be told once for all that tariffs were not intended for their special benefit, but for the raising of necessary revenue with the least hardship to the individual taxpayer. This is the only ground upon which a tax can be justified at all, and is the only ground upon which Congress can legally impose the tax.

When it comes to the actual imposition of such a tax on imports, and the selection of articles for the purpose, it has been customary in all countries to afford a certain measure of assistance to new or struggling industries, as well as to give aid in the payment of living wages to the workman. The method is well known and hardly requires explanation; but these principles have never been used by any government, or even permitted, beyond the initial stages of an industry, except in the matter of wages.

It was reserved for the Republican party to carry this protective principle to its logical conclusion, the use of an import tax as a protection to capital, or, to put it in their words, as a "protection to infant industries." We see the logical conclusion of this principle in our country to-day. In the past twenty years the infant industries have grown into gigantic corporations, the wonder of the world. Are these great manufacturing industries still "infant industries?" No; but they have become the arrogant masters of trade and commerce. Hundreds of millions have been wrung from the people in the shape of abnormal profits, destroying the very foundation on which the whole tariff spoliation fabric rested.

From whence came the gigantic wealth of the steel magnates, the iron, coal, and glass barons? How did men, from a small pittance, in fifty years or less become the possessors of hundreds of millions? By what means did these men become the owners of residences costing \$5,000,000? The answer is easy—the protective tariff of the Republican party did it. The beneficiaries were not to blame. True, they were frequently called on for campaign funds to save the country.

The Republican party principle has heretofore been asserted to be the protection of American industries, especially infant industries, but in default of the infant ones, then any old industries, so long as they are dignified by the country's name and their promoters ask for protection. In their last national party platform, however, they have gone one step further, and their principle is now declared to be the equalizing of the difference in production cost between American and foreign manufactures, the usual protective principle, plus a reasonable profit to American manufacturers.

Thus for the first time in history it is declared to be the purpose of the Government to so use the taxing power as to guarantee the American manufacturer and capitalist his profits. The tax is imposed on the people, but it must be so imposed as to give the profits to these favored few. It is a great pity that the American people are not permitted to understand this up-to-date Republican doctrine because of the great noise made by these favored ones in their struggles over the division of the profits.

Some hope for the people is in sight, however. It has been decreed that there shall be a revision of the tariff schedules, and the Committee on Ways and Means has been endeavoring to frame a bill which will permit of the execution of the decree. But in the hearings on this bill the same conflict of testimony has been apparent; practically no one has been heard except representatives of the Republican favored classes, the protected few, and while most of them want the tariff revised, yet they insist it shall be done in the schedules which affect the other fellow. Their particular industry still needs protection, but the industries of the other fellows can stand a little revision. They are willing to have the tax burden of the people lightened somewhat, but not at the expense of their own profits, which the newly formulated Republican principle guarantees to them.

Let me adduce a few remarks from these hearings and from statements of some of the sincere revisers:

Mr. CARNEGIE (in answer to a question by a member of the Ways and Means Committee). My dear sir, allow me to tell you just what happened about that. I purposely refrained from reading the statements of interested parties. They are incapable of judging justly. No judge should be permitted to sit in a cause in which he is interested; and you make the greatest mistake in your life if you attach importance to an interested witness. You would not do it in a court of justice, would you? If the judge were interested in a cause, would you respect his decision? [No response.] Silence in the court. [Great laughter.] Upon my word, I must laugh at you people.

Mr. H. E. Miles, the well-known Republican and manufacturer, said:

For relief from the infinite grasp and hurt of the present tariff; a tariff that is not a protective tariff in any sense; a tariff that is in truth and in fact a bastard tariff, many of the schedules having no relation whatever to the principle of protection, or if related, then misapplying and abusing them.

In an article in the North American Review of last January, published the month before he came to Washington as the representative of the industrial interests of the country, Mr. Miles said:

We make small objection to the three hundred millions of tariff revenue that went last year into the Government Treasury, but we make very great objection to the five hundred millions or more that went into the pockets of the favored few who collected the revenue for their personal and private gain, with the connivance and approval of Congress, in products made within this country.

Imagine for a moment the significance of this statement; grasp its shocking import. This Republican, this manufacturer, this protectionist, and withal this critical student of public affairs tells us that the present system is taking from the American people in sheer plunder five hundred millions a year or more.

Some of the testimony at the hearings were startling to the Republican members of the committee and to the country at large. After years of preaching about the sacredness of the tariff and the disasters bound to follow in the wake of any reduction, some of the favored ones have boldly declared that the favored industries no longer needed protection. Mr. Carnegie stated, and reiterated in many ways, that the steel industry no longer needs protection; that the day has passed when any foreign country can seriously affect our steel manufactures, tariff or no tariff. In another place Mr. Carnegie stated positively that the Republic has become the home of steel and this is the age of steel.

Judge Gary, in his testimony, was willing to admit that the United States Steel Corporation no longer needed a tariff on steel as a protection against foreign competition, but feared that some of the smaller concerns might still need it. The smaller concerns he referred to are all gigantic plants, capitalized at millions and paying dividends on the millions. Judge Gary's testimony was a case of willingness to reduce the tariff, but at the expense of some other industry; of admitting that he no longer needed protection, but appealing for help for his weaker brothers.

There was much other testimony of the character of Mr. Carnegie's, to the effect that many industries were now so large and powerful that protection could be dispensed with; that our country was competing with the world in many lines and beating them with cheaper cost of production; and that, in the interest of the American taxpayers, the tariff should be scaled down.

That these standpatters have been willing to admit in any way that the tariff needs revision is due to the long-continued agitation of the Democratic party, the real champion of the people. It has shed some light in the dark places and made some of the people realize the iniquity of present conditions. This has brought the dominant party to the point of revising the tariff or forfeiting its power; and under duress it has consented to some revision, on the principle that it is better to have nine-tenths of the loaf than none of it.

In conformity with this decision of the Republican party and under pressure from President Taft, the majority members of the Ways and Means Committee have presented the bill now before the House. Apart from all partisan differences of opinion, I think it can safely be said that the introduction of the bill and its indorsement as a government measure marks a turning point in the economic history of the country. After twelve years of a prohibitive tariff, it required some courage to admit that the schedules were too high and needed cutting down in the interest of the American people; it required courage to admit that the arguments relied upon for twelve years were not as sound as believed and are now ineffective from one cause or another.

As the bill in the main, so its framers claim, provides for some radical reductions, it can be indorsed to that extent without violation of party pledges; and in so far as the pending

measure provides for real reductions in the tariff, especially free raw material, I am willing to support it. I am particularly pleased with the reduction of the steel schedules, an indication that the members of the committee must have been convinced that Mr. Carnegie was right in his contentions. The putting of hides on the free list is also a provision that meets with sincere approval, as well as the reduction in the leather, shoe, wool, coal, and lumber schedules; even if these pleasing results were an effort to stop the harmful agitation of New England Republicans in their efforts to bore holes in the tariff wall, yet the effort will be of benefit to the people, and its incorporation in the pending bill is praiseworthy.

But it is a pity that the committee could not put away the temptation to tax tea; surely there is no American tea industry to be protected, and the few experiments in its culture now carried on have not asked consideration as an infant industry; a tax on tea can benefit no one in a Republican sense and is purely and simply a new burden added to the tax load of our people. Apart from the historical associations of a tea tax which England once tried to levy on certain colonies of hers, and from the general history of tea in the world's commerce, the fact that tea shares with coffee the distinction of being about our only untaxed articles of food or drink should have saved it from the arm of the tax gatherer.

I am opposed to this tax, and hope it will be eliminated from the present bill, or, if retained, changed to an ad valorem duty of, say, 20 per cent instead of 8 and 9 cents per pound.

Another general provision of this bill, that for a maximum and minimum tariff, should be condemned without reservation. It is a scheme to force the Government into tariff wars with other countries, and can have no other than evil effects. Whether used as a threat or a retaliation, it will be harmful, and, as is always the case, it will result in increasing the taxes on imports, making the American people, the consumers, on whom the heaviest burden of taxation always falls, foot the bills. In addition to that, it will more than offset all the good done by reducing some of the schedules and destroy the hope created by putting a few things on the free list. Saddest of all to contemplate is the working of this provision on coffee imports, for it will surely sweep away this last untaxed article of food and drink and make the dining table groan with its last burden. Let us be fair in this matter of tariff schedules; let us have one price for all and a square deal; not a shifting scale of prices, with the consequent bargaining and jobbing and constant conflicts with every nation willing to sell us things. The coffee schedule will result in an increase in price, as Brazil, from which the bulk of our coffee comes, charges an export duty, which is to be added as an import tax.

The hand of President Taft is again visible in this bill in the provisions for reciprocal free trade with the Philippines, and all honor is due him for the hand. One of the most incompressible things about the standpat attitude was its blind injustice to its own ward. The Republican party was responsible for the retention of these islands, yet would not lift a hand to help them to become self-supporting. The free trade which the States enjoy, and which is now enjoyed by Porto Rico, was denied to the other ward; annexed to us without consent, without a voice as to their wishes in the matter, these islands asked for a little help from us. Sternly refused, they were forced to sell their products to the world in order to live. The Republican party forced the islands into the position of being owned by us, but begging a living from the rest of the world.

But the sugar and tobacco men had their pocketbooks to look after, and could not be bothered about a few islands out in the Pacific; the sacred tariff must be left inviolate, even though a few million people must starve to death. President Taft understood the matter, however, and has never taken the trouble to conceal his views; and these have now been incorporated in the present bill, at least to some extent. The Philippines will not have free trade with us, to which they are entitled; but they will get a good measure of it, and they will find the taste so good that only the full measure will satisfy them. True, the sugar and tobacco men will howl, but it will be the cry of the stuffed pig when some little morsel slips away from it.

The admission of error made by the standpatters in the new attitude toward the Philippines is at once offset by the provision for a tax on inheritances. This latter is a distinct invasion of the rights of the States, and, as a Democrat, I protest against it. Senator Root informed the States a few years ago, while speaking for President Roosevelt, that unless the States exercised the rights and powers reserved to them by the Constitution, that the National Government would take them away by constitutional interpretations in the Supreme Court. Are we here confronted with an effort to take away one of these rights, not by judicial interpretation, but by the taxing power?



The right to tax inheritances is not mentioned in the Constitution either directly or indirectly as a right reserved to the States; but as it is a means used by some 36 or 37 States at present for the raising of revenue, surely they have settled their claim to have it considered as a right. And the States have deprived Senator Roor's suggestion of its force by actually exercising the right.

The States can even set up the doctrine that the taxing of inheritances is a vested right, in which they should be protected by law. But the very Government which should protect them is now determined to enter their field, and to utilize one of their means of raising revenue; it will be an invasion of vested rights of the most heinous description, and should be denounced in unmeasured terms.

The States will surely look to their rights in this matter, and will undoubtedly protest against this provision of the present bill; and, as a Democrat, with the instinctive jealousy of my party against all encroachments on the reserved rights of the States, I protest against a national taxing of inheritances, direct and collateral.

I might give my active support to the administration tariff bill now pending if such changes were made in it as already indicated, particularly the elimination of the maximum and minimum provision, and the taxation of inheritance, and the granting of immediate free trade to the Philippines, and the placing of tea on the free or the ad valorem list as well as that of coffee by removing section 533 of the Payne bill. I would also ask for the placing of wool and steel on the free list. As these would be a much fairer revision, and more in line with public sentiment than seems to be provided for by the present bill, they might receive my vote, which I would not feel inclined to give to the present bill as long as it carried with it such objectionable features as stated.

On several occasions I have felt it my duty while opposing the ship-subsidy schemes, mooted in this House, to point out how our American shipping might be stimulated by a reduction of the tariff. And now that an actual reduction of the tariff seems to be in prospect, I am encouraged to prophesy as to its beneficial results in shipping; if the reduction of schedules was absolute and not deprived of their genuineness by the sliding scale, I might almost figure out how Americans could engage in the shipping business without the help of grants from the Public Treasury. The tariff reduction may prove after all to be a false hope, and the sliding scale precipitate us into greater tax burdens than ever, but that remains to be seen when the new schedules go into effect.

Like railroad transportation, shipping rates are cheapest to the shippers when there is a cargo both ways. At the same time this double cargo enables the shipowner to net a good profit. As the tariff has paralyzed American shipping both ways, and made it impossible for American shipowners to realize a profit unless they charged exorbitant rates for the one-way transportation, the foreign owners got the business. But with transportation both ways the American owners could well afford to reduce their prices to American shippers and be assured of their trade. The problem is simple enough, but the standpatters would not learn the lesson here any more than they would in the case of the Philippines; but as they have come to the latter, so they must come to the former if American shipping is to be revived.

Profitable shipping requires trade and cargoes, and unless these can be furnished the ships will rot at the docks. Giving the owners subsidies does not solve the problem, for that is merely taking from the Treasury profits which should be earned by the ships; it is guaranteeing profits to the owners by robbing the public funds. No; the only way to make the idle ships pay is to put them into use carrying cargoes, and the only way they can secure cargoes is to stimulate trade and commerce by cutting down some of the barriers. This view is so simple as to be easily grasped by the uninitiated, and yet the trusts and combinations of the country will not see it. Yet if the present reduction proves to be genuine and effective, it will surely result, among other things, in some revival of our shipping trade in American ships. Foreign-built yachts owned by Americans should pay a duty. On this subject I have attached some letters fully explaining the matter. All in all, the pending bill is only a step in the right direction. It should force some of the trusts to stop fattening on the American people; the standpatters, so pungently and pointedly classified by Charles Francis Adams, will have to back out from the tariff swill trough and give up their signed and sealed licenses to defraud the American consumer. And when the people will send up a sigh of relief for even the little relief—if any should accrue from the present bill—the regret must be that the Republican party will claim the credit, and the good old Democratic party, the consistent

and persistent advocate of tariff for revenue only, will be cheated of its dues.

The lesson taught by the trusts has been learned by the Republican party; as the trusts have fattened on the people, so has the Republican party fattened on the agitation of the Democrats, and will now try to reap the gains which properly belong to the party of Jefferson, Jackson, and Cleveland. The Republican party has reached the point where the people were angry at its stand-pat attitude and threatened to deprive them of their long-continued enjoyment of power. The Republicans stole the tariff reduction plan from the Democrats, and are now throwing it to the people as a sop to keep them quiet for a while.

President Taft is undoubtedly sincere in his determination to afford the much-needed relief to the masses. Whatever benefit is derived from the proposed legislation when enacted into law will be due to his influence and to the determined and persistent efforts of the Democratic party in Congress. This effort to revise the tariff should speedily become an accomplished fact, so that the industries of the country may again assume their normally prosperous condition. No improvement of business can be expected until this matter is finally settled.

GAS ENGINE AND POWER COMPANY AND  
CHARLES L. SEABURY & Co.,  
Morris Heights, New York City, November 30, 1908.

Hon. JOSEPH A. GOULDEN,  
House of Representatives, Washington, D. C.

MY DEAR MR. GOULDEN: I suppose at this time you are in receipt daily of some thousands of letters, and the question of tariff revision has become rather a monotonous one.

While I do not know how you feel on this matter, I do think it fair to call your attention to a condition which I believe very few of the Congressmen or Senators know about. I am quite sure that comparatively few Americans know about it either.

Perhaps you have sometimes wondered why we builders of yachts were so poor, did not ride around in automobiles, and blow ourselves out generally, but the secret of all this is that our yards are idle a good deal of the time, because the wealthy men who can afford to own large yachts go over to the other side and have them built. Now, you would naturally suppose that such a luxury of luxuries as a steam yacht being brought into a country where we have protection should pay some duty, but the fact of the matter is not one cent of duty is collected from such a source. Of course labor is cheaper abroad and the materials probably do not cost any more, and the result is that yachts can be built abroad for very much less money than in this country, so that every year several millions of dollars are spent abroad for such purchases, while the yacht builders in this country can only look on and see their yards lie idle. A conservative estimate during the year 1908 would be a loss of employment in the American yards of from 5,000 to 10,000 men.

Not only the component parts of the yacht, such as hull, spars, iron-works, joiner work, and machinery are duty free, but also all the accessories, the lighting plant, furniture, upholstery, bedding, china, silver and glassware, nautical instruments, and even the uniforms for the crew.

If the owner of an American-built yacht desires to purchase any of such fittings that are made abroad, and buy them separately from the yacht itself, he must pay not only freight, but a very high duty, whereas the buyer of a yacht that is assembled abroad gets in scot-free.

Furthermore, these yachts that are built abroad are not subject to the United States pilot laws or regulations, neither do the United States authorities have any power to require licensed officers aboard such yachts, all of which are required of American-built yachts.

As you are aware, the merchant marine is amply protected by the existing laws, as foreign-built merchant vessels can not be brought into this country, even by paying a duty, whereas a foreign-built pleasure vessel can be purchased and entered into service in this country without paying one cent of duty.

You will understand that this condition affects not only the yacht builder, but manufacturers of every accessory that goes into making a yacht complete. I do not understand why this condition could have existed as it has for so many years without some protest, but I am under the impression that the different builders have hesitated to call attention to this fact, fearing that it might militate against their interests by the loss of possible orders from these wealthy people who can afford such playthings.

The matter should be brought up very forcibly, it seems to me, and something be done to eradicate this evil.

I know well your ability and push to right a wrong where it is patent, and I feel that in your hands this thing should be made apparent to everyone who has a voice in deciding the matter.

Pardon this long letter, and accept my kind personal regards.

Yours, very truly,

JOHN J. AMORY.

TREASURY DEPARTMENT,  
OFFICE OF THE SECRETARY,  
Washington, January 13, 1909.

Hon. J. A. GOULDEN,  
House of Representatives.

SIR: As a reply to your letter of the 9th instant, in which you request to be informed whether materials, fittings, and supplies used in the building of ships, sloops, yachts, etc., for coastwise and foreign trade would be admitted without the payment of duty, I have the honor to inclose herewith a copy of the tariff act and invite your attention to sections 12 to 14 thereof, with special reference to the first section mentioned, which provides that all materials of foreign production which are necessary for the construction of vessels built in the United States for the purpose of being employed in the foreign trade, including the trade between the Atlantic and Pacific ports of the United States, and all such materials necessary for the building of their machinery, as well as the articles necessary for their outfit and equipment, may be imported in bond, and upon proof that such materials have been used for

such purposes no duty will be exacted. The section further provides that vessels receiving the benefit thereof shall not be allowed to engage in the coastwise trade of the United States more than two months in any one year except upon the payment of the duty.

Section 4 of the act of January 16, 1895 (28 Stat., 625), provides that no licensed yacht shall engage in trade, and as section 12 refers to fittings and supplies for use in the building of ships engaged in trade the department is of the opinion that a yacht would not be entitled to the privileges of this section.

Respectfully,

BEEKMAN WINTHROP,  
Acting Secretary.

DEPARTMENT OF COMMERCE AND LABOR,  
BUREAU OF NAVIGATION,  
Washington, December 21, 1908.

The Hon. JOSEPH A. GOULDEN,  
House of Representatives, Washington, D. C.

DEAR MR. GOULDEN: I have received by reference from the Supervising Inspector-General, Steamboat-Inspection Service, a letter dated November 30, 1908, from John J. Amory, president of the Gas Engine and Power Company and Charles L. Seabury & Co. Mr. Amory suggests a duty upon foreign-built yachts brought into this country by American citizens. This subject was presented to the Ways and Means Committee by the Hon. L. E. Payson about a week ago, and complying with your request for suggestions, I think it would be well for you to confer with the Hon. SERENO E. PAYNE, chairman, and other members of the Ways and Means Committee, leaving with them a copy of Mr. Amory's letter.

Respectfully,

E. T. CHAMBERLAIN,  
Commissioner.

Mr. JAMES. Mr. Chairman, we have heard a great deal said about the Republican platform and its provisions with reference to the question under consideration. The truth of it is that the last utterance of the Republican platform was the highest protective-tariff declaration ever written by any party. All the other Republican platforms heretofore have contented themselves by declaring for a protective tariff that would equalize the cost of production at home and abroad; but the Republican platform adopted at Chicago in 1908 goes a step farther in this pillaging of humanity and declares not only that the tariff shall be high enough to equal the difference in the cost of production at home and abroad, but in addition thereto there shall be given to the manufacturer a "reasonable profit." What is a reasonable profit? Who shall decide how much it shall be? Shall it be left to Mr. Carnegie, who started with a pittance and whose wealth, from the profit of his protected industry, increased by leaps and bounds until it became so great that he was not able to give it away? [Applause on the Democratic side.] Pricked by a conscience that has allowed him to loot for many years, he commenced to establish in the various cities and towns of the country libraries where hungry, ragged men might read of feasts they could not attend and of comforts they could not enjoy. [Applause on the Democratic side.] Will you leave to Mr. Carnegie the right to say what is a reasonable profit? The country need not be surprised at this tariff bill. I know you won this last campaign, not upon your platform, but upon the popularity of the man who was then in the White House. You played the proposition in the West that you intended to revise the tariff downward, but the wise men still were in the East who had written your platform, and they provided that the tariff rates should be greater than ever before; and when this tariff bill comes in with a provision 2 per cent greater than the Dingley bill, the country need not be surprised. [Applause on the Democratic side.] But they tell us that a reasonable profit should be added. You allow these gentlemen to fix the reasonable profit upon their watered stock, upon their fictitious values, upon their miscellaneous accounts. You allow the reasonable profit in the tariff bill to be so arranged.

I called the attention of the House to the fact that Secretary Taft in his inaugural address had left out the words "reasonable profit," and I had hoped, as he had gotten in the presidential chair to rule all the people, that he had seen the mistake of his party in that declaration, and that he might go back to the stand of Blaine and of Harrison and of all your illustrious leaders heretofore and stand by that. But my friend the gentleman from Ohio [Mr. LONGWORTH], evidently speaking for the President, being the son-in-law of the man who did more to elect Mr. Taft than all other forces combined and coming from the President's home district in which the Chief Executive lives, we must believe that he speaks authoritatively when he says that President Taft stands where he always stood and where the platform puts him—in favor of a reasonable profit to the manufacturer.

Let us see how the Republican party applies the platform declaration relative to the tariff and the "reasonable profit to the manufacturer." I have here three columns, one the cost of labor to produce the article; another, the protective-tariff rate in this bill; and subtracting the cost of labor from the tariff rate

we get the "reasonable profit" you so generously give the trusts of the land. It is as follows:

	Cost of labor.	Protection in this bill.	Profit for manufacturing.
	Per cent.	Per cent.	Per cent.
Standard Oil, on crude oil.....	2	99	97
Brass trust.....	17	45	28
Car builders' trust.....	19	45	26
Sugar trust.....	3	72	69
Woolen goods trust.....	18	104	86
Steel trust.....	20	45	25
Linseed oil trust.....	4	49	45
Meat or beef trust.....	3	38	35
Glass trust.....	14	70	56
Wire trust.....	14	40	26
Lead trust.....	6	79	73
Glove trust.....	22	88	66
Tobacco trust.....	18	104	86

The above table shows the operation of the present bill now under discussion. I allow the total cost of labor, when the platform of the Republican party only demands a tariff protection to equal the "difference" in the cost of labor at "home and abroad." Yet, behold the "profit for the manufacturer" which is carried in this bill. The trusts are all most abundantly provided for; the license to pillage the whole people is plainly given. Is there any wonder that they contribute millions to the Republican campaign fund. But I beg you to behold how it is returned to them, even a thousandfold.

What right have you to provide that a certain class of our people shall receive a reasonable profit from all the rest? If the farmer down in my country happens to meet with a misfortune in the growing of his crop, the price of his crop is not so high, and he fails to make a reasonable profit, has any gentleman risen upon this floor advocating a law that guarantees to him a reasonable profit? No, indeed; but the mortgage upon his home is foreclosed and it is sold, and the Treasury is not open to him nor the taxing power given to him, in order that he may have a reasonable profit. The laboring people of this country, who live in tenement homes and work for a pittance a day; how much have you given to them for a reasonable profit? Oh, no; this favored class of humanity—these men whose fortunes you have built up—you carefully take care of them in your platform utterance of a reasonable profit given to them. [Applause on the Democratic side.]

I notice one thing—that in the free list in this bill there is a provision which places fossils on the free list. I looked in the dictionary to find out the exact definition of a fossil. I wondered why it was that the gentlemen upon the other side had placed fossils upon the free list. Here is the way that Webster's Dictionary describes a fossil:

A fossil is a person whose views and opinions are extremely antiquated; one whose sympathies are with a former time rather than the present.

[Laughter.]

Gentlemen, it was a scheme on your part to get more protectionists into this country free of duty, because we all know if there is a class of people whose views are extremely antiquated and whose sympathies are with a former time rather than the present, certainly it is the protective-tariff advocate. [Laughter.] And why?

Mr. REEDER. I understand that proposition was purely in the interest of the Democracy.

Mr. JAMES. Your understanding, as usual, is very vague [laughter], for the reason that if it had been in favor of the Democracy you would not have put it in the bill. [Applause on the Democratic side.] But the reason you want fossils here is that you want to go back to a former time. And when was that? A time when you contended that the tariff was for the protection of infant industries; that they should be protected until they were able to stand upon their own feet; and now they have come to stand on everybody else's feet. [Applause.] You want to give them more protection than ever in this bill. There is one difference I would make in this definition, and that is, instead of saying "one whose sympathies are with the past rather than the present," I should amend it and say, "one whose sympathy is with the trusts against the people;" and I believe you would have a much better definition of protection advocates. [Applause on the Democratic side.]

But there is another article I notice you have taken from the free list in the Dingley bill. You had "culch" upon the free list. You have stricken that from the free list in the Payne bill. I looked it up and found that "culch" meant oyster shells. The



poor, the unemployed people of this country, driven into idleness by your Dingley bill, were cultivating some sort of a taste for oyster shells, and you at once took them off of the free list and placed them on the protected list. [Laughter and applause.]

But what do you offer the farmer in this bill? Why, Mr. Chairman, I can hear our friends across the aisle go before the farmers and say, "This bill gives you protection on your farm products. The Republican party has put a tariff of 25 cents per bushel upon wheat." But let us examine this question. The farmer can not be the beneficiary of a protective system; he must necessarily be its victim.

His wheat must be sold in the open markets of the world at prices fixed by them. Last year he exported 76,569,423 bushels of wheat. What benefit could protection be to him upon his wheat? Who will deny that the price the surplus brings in the open market fixes the price at home? Wheat in June, 1907, sold in Liverpool as follows: White, 33s. 6d. per quarter (504 pounds), or 96 cents to \$1.04 per bushel; red, 33s. 6d. per quarter (504 pounds), or 96 cents to \$1.01 per bushel.

The New York price in June, 1907, was 90 cents.

The freight rate from New York to Liverpool in June, 1907, was 3.74 cents per bushel, making the American wheat in Liverpool 93.74 cents per bushel.

By this statement it will be seen that while wheat was bringing 90 cents in New York, which market our Republican friends tell the farmers they have so generously protected with a tariff of 25 cents per bushel, it was bringing from 96 cents to \$1.04 in free-trade England. It cost the American farmer 3.74 cents per bushel to transport his product from New York to Europe. What a fraud this discloses the protective theory to be when it is said to benefit the farmer in the sale of his wheat. Every sensible man knows very well that no farmer, no dealer, no person would be exporting his wheat to Liverpool if it did not bring more there than it would bring at home, for the simple reason that it cost him nearly 4 cents a bushel to ship it there, to say nothing of the cost of insurance and the hazard of transportation. [Applause.]

And so it is with corn. Our Republican friends go to the great corn producers of the West and attempt to justify the protective-tariff robbery upon everything that they must buy by saying to them, "We gave you a tariff duty of 15 cents a bushel on corn." We exported last year 83,300,708 bushels of corn; we exported, in 1906, 117,718,657 bushels of corn. We have exported as high as 209,000,000 bushels of corn in one year, loading it upon ships, paying transportation to get it to foreign markets, where there is no 15 cents protection afforded to it. What fools these men must have been if the 15 cents per bushel tariff makes the farmer's corn sell for more at home than abroad. Why did they not sell it here? For the very simple reason that there was no market for it here.

We produced more than we could consume. It was worth more abroad than it was at home. Corn in 1907 sold in Liverpool at 23s. 6d. per quarter of 504 pounds, or 62 to 63 cents per bushel. At the same time corn was selling in New York at 59 cents, which, with  $3\frac{1}{2}$  cents added for freight, would make it worth about 63 cents delivered in Liverpool. The May export price was 57 $\frac{1}{2}$  cents, which, with  $3\frac{1}{2}$  cents added for freight, would make about 61 cents per bushel in Liverpool. From this it will be seen that corn was bringing from 62 to 63 cents per bushel of 56 pounds in Liverpool, while the New York price was 59 cents per bushel. And so it is upon all these articles on which they pretend to benefit the farmer by a tariff. So, gentlemen, the truth of the whole matter is that the tariff, so far as it relates to the farmer in affording him protection when he must sell in the open markets of the world, is not only a delusion and a snare, but a most consummate fraud. [Applause on the Democratic side.] And, Mr. Chairman, when the farmer has shipped his wheat to Liverpool and sold it in that open market in competition with the world, he makes a purchase of farming implements, of household goods, of the necessities of life, and they are shipped back to him. He comes down to the port in New York, and what is the result? You furnish him with a list which he must fill out, showing the character and quantity of goods he has. He must swear to this, and then he must pay an exorbitant tariff duty, fixed upon all these articles which he bought in the same market where he sold, before he can take them home to use them upon the farm where he raised the products that he sold. [Applause on the Democratic side.]

And the outrage of this protective tariff system is not fairly illustrated even by this example, because the amount the farmer would pay in this instance would go into the Treasury; but under the provisions of this bill the tariff is so high in most instances that all the protective tariff duties are added to the

price of the article he must buy, and go into the pockets of the monopoly and not into the Treasury. [Applause on the Democratic side.] For when a tariff becomes prohibitive the result is to keep out imports and to keep up prices, the result of which is the manufacturer acts as a collecting agent.

Mr. GOULDEN. Can you tell the House what amount of corn or wheat was imported into this country last year?

Mr. JAMES. About 10,000 bushels of corn. I have not the amount of wheat.

Mr. GOULDEN. I suppose that was for seed purposes.

Mr. JAMES. Certainly.

Mr. GOULDEN. One further question: Is it not a fact that the market at Liverpool fixes the price of both corn and wheat as it affects this country, and, in fact, the whole world?

Mr. JAMES. The gentleman is correct.

When this Republic was formed and the States associated themselves into a union the right of taxation was understood to be given to the Federal Government for the purpose only of administering the Government economically. No human being dared then to assert, no representative of monopoly assumed to proclaim, that the taxing power of the Government could be used for any other than the purpose of raising sufficient revenue to defray the expenses of the Government, administered in honesty and economy. The idea that the governmental power or the legislative decree could be invoked to aid some and pillage others, to enrich some and despoil others, was never dreamed of. [Applause on the Democratic side.] Such a contention that the taxing power of the Government could be used to enhance the price of articles or protect them from competition was a species of Republicanism that had not then been born. [Applause on the Democratic side.] No one can contend that the States could have been associated together under any such doctrine.

The true position of the Democratic party upon the tariff question, stripped of all verbiage, is that the tax shall be gathered, first, from the articles of luxury, from the fortunes and incomes of the rich; then, if this does not produce enough, from the comforts of life, and if this does not produce enough, then from the necessities of life. The position of the Democratic party has always been that that class of our countrymen who prosper most are most greatly indebted to the Government, and therefore should bear more of its burdens. No party free from the domination of plutocracy would dare advocate any other doctrine. [Applause on the Democratic side.]

In the days gone by you have pretended the tariff system was all for the laboring man, yet you are now forced to admit that the American laborer is the most intelligent, the most skilled, the most industrious of all the world. He turns out over one and a half times as much work in the same hours as any other toiler on earth. He receives less for his labor, with this considered, than any abroad, to say nothing of the increased and much greater cost of living in the United States. The laborer here owes the wages he now gets to his own good sense in organizing. The labor unions have done more to keep his wages at what they are than all the tariff laws ever written. Destroy the union and, though the tariff law remain as high as the sky, he would become an industrial slave. The Republican party refused to exempt the laborer's organization from the antitrust law; they placed the toiling millions of the land, who have hearts that beat, hands that work, and lips that pray, along the side of merchandise, the droves of cattle, or tons of steel. [Applause on the Democratic side.] You refused to give him the same protection from oppressive injunction that you afford the rest of humanity; you refused to allow him to stand with all the rest when they come to the oppressive power of the federal court in the matter of injunctions. The Republican party gives to the manufacturer the power of the law to enhance the price of his product, but at the same time it denies to the laboring man the right to publish the truth for his protection. The manufacturer is given the protection of the law; the laborer is denied the publicity of truth. [Applause.]

But there is a provision in this bill placing fluor spar on the taxed list—50 cents per ton on crude fluor spar. Mr. Van Cleave, the high priest of protection, complains that the steel trust has been hit hard by this bill; that the article that goes into the manufacture of steel as one of its ingredients—fluor spar—has been placed upon the taxed list at 50 cents per ton. I had a gentleman figure that out for me. He tells me that 5 pounds of fluor spar go into each ton of steel, and the amount of increase in this tariff bill upon the steel trust is one-tenth of 1 cent, or 1 mill, per ton, and I know that you all must agree with me that that will ruin the steel trust if it is to stand a thing of that sort. [Applause on the Democratic side.] No wonder that Mr. Van Cleave feels that the country has been outraged, and aspe-

cially the steel trust, when you add to the price that it costs them to make a ton of steel one-tenth of 1 cent, or 1 mill. [Laughter.] You ought to be ashamed of yourselves for imposing upon this pitiless corporation in that way. [Applause on the Democratic side.] The truth of it is this tariff upon flou spar was placed in the bill, in my judgment, for the purpose for which it is used by Mr. Van Cleave—to undertake to justify the steel trust in trying to maintain its robber tariff duties upon steel, which have enabled the steel monopoly to charge the American people \$28 for a ton of steel, and then ship across the sea the same article and sell in competition with the whole world to the foreigner at \$18 to \$20 per ton; a system that has produced so many millionaires, who are only equaled in numbers by the paupers the policy has made.

The Republican party for many years maintained its supremacy by the fraudulent pretense that a tariff was not a tax paid by the consumer. Our forefathers knew better than this, for when they pitched the tea into Boston Harbor it was because England had put a tax upon tea, which they had sense enough to know they would be compelled to pay when they bought it to place it upon their tables. Then, the Republican party justified the tariff upon the contention that if it were a tax it was paid by the foreigner. But all of these contentions and pretensions have been exploded.

Mr. HUMPHREYS of Mississippi. Will the gentleman yield for me to make a statement at this time—

Mr. JAMES. Yes.

Mr. HUMPHREYS of Mississippi (continuing). On the subject of the benefit the farmer is getting out of this tariff? There is a tariff on cotton ties which amounts to about 5 cents a bale, on every bale of cotton, and which does not yield to the Federal Treasury one nickel of revenue. In other words, under this tariff bill, they permit the steel trust to collect a royalty of 5 cents on every bale of cotton produced in this country. [Applause.]

Mr. JAMES. Yes; and in connection with that I might say this, that if these gentlemen of the East, in New England, who have imposed this tariff tax upon the people of the Northwest, the West, and the South, produced cotton like the southern States do and had to sell it in the open markets of the world in competition with the poorly paid labor of Egypt and India, you would be taking out of the Treasury a bounty and giving it to your producers of cotton. [Applause on the Democratic side.] But what is the contention? You say that the tariff increases the price of wool to the grower, and to the consumer you say that it cheapens the price of clothes. You say to the farmer that the tariff increases the price of wheat, and to the consumer you say that it decreases the price of flour. You say to the farmer that it increases the price of corn, and to the man who buys the meal that it decreases the price of meal. To the cattle grower you say that it increases the price of his cattle, and to the consumer you say that it decreases the price of beef. You say to the farmer that it increases the price of hides, and to the consumer that it decreases the price of shoes. And so on, all through your list, you are forced, when you go from one class of our countrymen to another, from the producer to the consumer, to entirely change your contention upon the tariff question in order to meet the divergent views held by the people in the various localities, whether they are consumers or producers.

Mr. WEISSE. Will the gentleman permit an interruption?

Mr. JAMES. Yes.

Mr. WEISSE. Is it not a fact that through the rebate system the foreigner can buy American leather cheaper than the American, who produces it, through the Dingley bill?

Mr. JAMES. That is undoubtedly true. He can do that. Upon this question of reasonable profit that you give to the manufacturer you have a provision also that fixes a maximum rate in this bill and a minimum rate. What is that? Your idea in having a maximum rate is that it will make governments deal with us fairly in trade relations. Your contention in having a minimum rate is that it will offer them a reward for fair dealing. But what is the result? I never did believe in the contention that in order to treat our people fairly we had to treat somebody else unfairly. [Applause on the Democratic side.] I never did believe in the doctrine that we ought to tax our people because others tax their people. [Applause on the Democratic side.] I never did believe that we ought to give fair play to our people only when fair play is given by other governments to their people. [Applause.] We reversed that doctrine of governments one hundred and twenty years ago, when our fathers upon this continent gave to our people something other people did not have and were refused by their gov-

ernments, and that was the right to be free and to enjoy the blessings of liberty. [Applause on the Democratic side.]

Now, upon the maximum and minimum rate provision of the bill, let us see. You are going to punish the consumer in this country; and why? Because the governments across the sea will not deal fairly with our manufactures. Your whole vision sees only the manufacturer. You see the manufacturer when you place the tax upon our people here. You see the manufacturer when you go to the maximum rate—always for the benefit of the manufacturer. Now, let us see if we can not get fair play for the consumer. I am going to offer an amendment, if I have an opportunity, when this bill is under consideration, and I shall read it here:

*Provided, That whenever the President of the United States shall be satisfied that the price of any commodity or article of merchandise has been enhanced in consequence of any monopoly or trust in the United States, he shall issue his proclamation suspending the collection of all customs duties or import taxes on like articles of merchandise or commodities brought from foreign countries. Such suspension shall continue as long as such enhancement in price of such commodity or article of merchandise exists and until revoked by the President.*

Will you gentlemen be in favor of that? That is the minimum rate of free trade and a minimum rate in favor of and for the benefit of the consumer, when the manufacturer does not deal fairly with our people here. [Applause on the Democratic side.] You want to punish somebody when the manufacturer is not dealt fairly with. Now let us punish the manufacturer when he fails to deal fairly with the people who build this protection wall around him and protect him from competition with the world. This amendment is in the interest of the people. It can not be invoked against any commodity except when that commodity has been monopolized by the lawless. [Applause on the Democratic side.] What objection can be offered to this? Who is willing to contend that the maximum rate should be invoked in the interest of a manufacturer because some government has done wrong, and deny that the free list should be the protection of the American consumer when the manufacturer has become a brigand, pillaging without conscience from the people whose laws afford him protection and strength? Who is willing to contend that it is just that the manufacturer should be permitted to monopolize a certain article of necessity to our people, raise the price as high as they can stand, and then ship the same article across the sea and sell it in competition with the open world at a less price than he sold it for at home?

Let the minimum rate of the free list be invoked in the interest of untrammelled trade and open competition for the benefit of the consumer, the one at last who makes his country great, as well as invoke the maximum rate in the interest of the manufacturer to punish another people. Some gentlemen may say this is too much power to place in the President's hands. I deny it. This is not the power of "oppression." It is the power of "suppression" of monopoly, the power to relieve the people. Our Republican friends were willing in the Dingley bill to place in the hands of the President the power to declare a tariff duty which did not exist to become operative. It was not a power that was too great to place in the hands of the Chief Executive then, because if he exercised it it redounded to the interest of the manufacturer. So then, I ask that the same proposition be reversed and the President be permitted to exercise this power in the interest of the people, for the benefit of the people and against the men who oppress them with monopoly. The provision that you have in the Dingley tariff bill—it is section 3—provides that whenever the President, with a view to securing reciprocal trade relations with countries producing coffee, tea, and tonka beans, whenever any such government shall not be treating us fairly in trade relations, shall have the right to do what? Put the tariff up on tea and on coffee, articles that all the people must consume. You yourselves lodged in the hands of the President the power to increase the price of the poor man's tea and coffee, on tea 10 cents per pound, on coffee 3 cents per pound, on tonka beans 50 cents per pound. Now, will you deny the right when opportunity comes, in order to destroy the trusts or monopolies or combinations, to the President in the interest of the people, to say to these great manufacturers, "You have got this protection thrown around you and you are using it for bad purposes. You are using it to rob the American consumer, and therefore we provide that the tariff under such conditions shall be declared off by a proclamation of the President of the United States." [Applause on the Democratic side.]

When Alexander Hamilton advocated a tariff for protection, he did it upon the contention that there would always be competition enough in the protected boundary to keep prices reason-



able; but Alexander Hamilton's day was before the trusts; it was before a monopoly ever existed, and no man believes that if he had known then that the competitors, protected by the tariff, would amalgamate themselves into one octopus, known as a "trust" to oppress the people, he would ever have advocated a protective tariff at all. [Applause on the Democratic side.]

Mr. COX of Indiana. Will the gentleman yield?

Mr. JAMES. Certainly.

Mr. COX of Indiana. I desire to ask the gentleman whether or not the same doctrine was not advocated and believed in by such stalwart Republicans as James A. Garfield and John Sherman?

Mr. JAMES. Certainly; and not only that—

Mr. CLARK of Missouri. And Horace Greeley.

Mr. JAMES. Yes; and Greeley, also. And in regard to the position of Garfield and Sherman, I desire to read from a speech made by Mr. Garfield.

The late President Garfield said:

Duties should be so high that our manufacturers can fairly compete with the foreign product, but not so high as to enable them to drive out the foreign articles, enjoy the monopoly of the trade, and regulate the prices as they please.

Senator Sherman, discussing the tariff commission bill in 1883, said:

The measure of protection should extend only so far as to create competition, and not to create home monopoly.

I am by this tariff bill and the position of the Republican party declaring it to be a revision downward like the fellow down in Metcalf County, Ky., of whom I have often heard Mr. Eugene Newman, better known as "Savoyard," the most learned and gifted biographical and political sketch writer in the United States, speak. [Applause.]

He said down in Barren County, Ky., there lived a man after the order of "Black George," in Fielding's immortal novel. He was a squatter-sovereignty person and his domicile was on the southwestern slope of Pilot Knob, near the Green County line. His name was Creedall—Bluford Creedall. He was a noted character, and, like Ancient Pistol, he held to the creed "Base is the slave that pays." A heavy forest extended from his very door clear down into the Devil's half acre and far into Lick Swamp. There were the giant white oak, the prolific post oak, the fruitful beech, the productive chestnut. The undergrowth was thick with hazelnut. It was a hunter's paradise and in autumn a fine "range for swine." The title to the soil was in Waddy Thompson, a prosperous farmer, who dwelt some miles off. Every fall Thompson drove some five score thrifty shoats to the forest, where they fed on the "mast," grew, and developed into fine porkers. One bright October morn Thompson rode up to Mr. Creedall's cabin and a dialogue like this began:

"Good morning, Blufe."

"Good morning, Wad."

"Blufe, I have just brought over a bunch of hogs to take the mast on the range, and have chosen you to look after them. You know there is a mighty shackling set around here, and some of them don't mind stealing a hog when they are not watched. Now, Blufe, if you will keep an eye on my hogs and take care of them for me, I'll make you a present of the pick of the lot at killing time. You may have five of the very best, your own pick."

"Wad, that seems reasonable; we have always been the best of friends in the world, you have done me a heap of favors, and I guess I'll have to accommodate you; but I'll be d—d if I don't lose pork by it." [Laughter.]

So I think if this is the character of bill which is to be the revision so long promised by the Republican party—downward revision, as they please to say—then I think we had better put the trusts and monopolies of the country upon their honor and let them formulate a bill along tariff lines, for I will swear I believe we would save pork by it. [Laughter and applause on the Democratic side.]

Mr. Chairman, this bill presents the much-heralded, long-promised Republican revision of the tariff. Its provisions more firmly intrench monopoly than ever before.

Mr. CLARK of Missouri. In that connection I would like to ask the gentleman if the government experts themselves have not figured it out that the average rates in this bill are 1.56 per cent higher than in the Dingley bill?

Mr. JAMES. The gentleman from Missouri is entirely correct. The average rate under the Dingley bill was 44.16, under this the average rate is 45.72 per cent.

Mr. CLARK of Missouri. And I want to ask you another

question. When this maximum goes into effect, if it does, that elevates it 21.56 per cent above the rate of the Payne bill?

Mr. JAMES. That is undoubtedly true, and in addition to your increase upon that, whenever they put in operation the maximum rate it will sweep off of the free list at least 50 articles that are now there.

Gentlemen here have discussed the lumber question. We heard from a manufacturer the other day, a man engaged and interested in the business, the gentleman from Michigan [Mr. FORDNEY]—my personal friend. He pleaded the cause of protection. Why, he says he is acquainted with the business. He is interested in lumber, but the poor man who is without a home has no one to speak for him except the Representatives upon this floor. [Applause on the Democratic side.]

A great banquet was given by the lumber trust a few weeks ago at the New Willard Hotel in this city. A most sumptuous feast, I am told, was offered to the guests. They were lobbying to keep the \$2 tariff on lumber; but, gentlemen, I am in favor of free lumber. The millions of people in our country who are without homes have no banquets to offer you, no sparkling wine for you to sip, no hot birds for you to eat. They have a ballot, though, and can reward you at the polls with their love, their vote, and their confidence; and I appeal from the banquet of the lumber trust to the homeless of the land and ask you to choose which side you will serve. [Loud applause.] But our friends, and many of them from New England, have told us that we ought to go into the Treasury and take out millions of dollars and buy the White and Appalachian Mountains for the purpose of reforesting them; that the lumber is being cut off, and it is the only way we can save our timber and our forests. And yet some of these gentlemen, I regret to say, are most vigorous in their opposition to a reduction of the tariff upon lumber. Gentlemen, think of refusing to allow a man to build a home, refusing to give him a spot of earth where he may plant his own vine and fig tree, and sit under his own roof unless the clutch of monopoly is laid upon him. I desire to call your attention to the fact that the home is the world's great civilizer. The home makes a man a good citizen; it encourages him in the battle of life. And how can gentlemen here upon this floor see only from the lumber dealer's view, a monopoly which has increased the cost of lumber 100 per cent in the last five years, rather than look at the millions who are without homes. I take from the census reports of 1900 the following statement:

*Census of 1900.*

Total dwellings	14,474,777
Total families	16,259,797
Total homes owned free	4,739,914
Total mortgaged	2,180,229
Total tenants or hired	8,246,747
Total unknown homes	298,612

Of the 6,920,143 homes owned in 1900, 5,064,842 were native whites, 1,730,970 were foreign whites.

So, by this we will see that there are 8,246,747 families who are living in homes they do not own, tenants who have to pay a monthly rent. Virtually 42,000,000 of our people do not own their own homes, but live in tenement houses. This is an appeal, to my mind, stronger than any music that ever swelled in the banquet hall; this is a mute, silent appeal in favor of free lumber. [Applause on the Democratic side.]

And right here I want to say that no Democrat can justify his position before his people in undertaking to get a protective tariff upon something the people of his district produce, for when he does this he strengthens the bands of protection everywhere. No man can advocate that his people may be permitted to rob under the guise of a protective tariff without conceding the same privilege to all others. They might loot the rest of the people in a small way, but they must remember that all other people are being looted in a greater way upon every necessity of life. [Applause on the Democratic side.]

Mr. Chairman, there is another provision in this bill to which I wish to refer, and that is the one relating to sugar. The amount of raw sugar imported into this country in 1907 is as follows:

*Raw sugar imported in 1907.*

	Long tons.
Full dutiable sugar	347,509
Concession sugar, Philippines	10,700
Concession sugar, Cuba	1,340,400
Free sugar, Hawaii	418,102
Free sugar, Porto Rico	212,853
Total imported	2,329,564

The total duties on all raw sugar were \$54,310,082.

Refiners got all of this raw sugar at a tariff cost of \$54,310,082 or \$23.31 a long ton or 1.04 cents per pound. The raw

sugar duty when equalized in this way amounts to 1.04 cents per pound.

In fixing the present rate for refined sugar, five hundredths of a cent was deducted from the old rate of 1.95 cents, so that the present differential is twenty-one and a half hundredths.

If twenty-one and a half hundredths be added to 1.04 cents, the actual duty rate on all sugar, the refined duty rate would be 1.255 instead of 1.90, as the Payne bill fixes. The refiners get 0.645 more than they are entitled to, even on protective principles.

There is no reason whatever for adding the differential, 0.215 cent to 1.685 cents, the duty rate on 96° sugar. This assumes that the refiners pay 1.685 cents for all imported raw sugar, when, as a matter of fact, they only pay 1.685 cents on 264,961 long tons.

On all dutiable sugar they pay 0.0137 cents per pound, and on all imported sugar 0.0104 cents.

If 0.0021½ be assumed as the proper differential, and the Payne bill makes that assumption, then it should be added to what the imported raw sugar as a whole costs refiners—0.0104 cents—and not to what a particular item costs them—0.01685 cents.

The duty on refined sugar should therefore not be more than 0.0125½, instead of 0.190 as the bill proposes. The duty on refined sugar proceeds on the idea that the refiners have actually paid 0.01685 cents per pound duty on all the 2,329,564 tons of imported sugar, when, as has been shown, they pay on but 264,961 tons. They actually get 2,329,564 tons of raw sugar at a duty of 1.04 cents per pound, and the differential 0.21½ should attach to this and not to 0.168½, as is proposed.

One hundred and twenty-five and a half hundredths and not 1.90 should be the rate on refined sugar even on your protection principles, and less than this on sound revenue principles.

The truth is that this bill gives the sugar trust a tribute of nearly 1 cent per pound on every particle of sugar used in the homes of this land, while if we had free sugar, which is a necessity to our people, they could buy it for half the price they now pay.

The import prices for sugar, not above No. 16 Dutch standard in color, cane, were for the year 1906–7, as follows:

1906.	
July	\$. 0198
August	. 0216
September	. 0196
October	. 0196
November	. 0196
December	. 0190
1907.	
January	. 0221
February	. 0215
March	. 0207
April	. 0208
May	. 0228
June	. 0234

Average for a year, 0.0208 cents per pound.

The wholesale price for Standard A for 1907 was 0.0445 per pound, and for granulated 0.0465. The export price of sugar refined in 1907 was 0.0386 cents, or about 4 cents a pound.

In other words, the average foreign cost per pound was 2.08 cents in 1907, while the wholesale price of granulated sugar in New York for the same year was 4.65 cents per pound, and the export price of all refined sugar was 3.86.

The consumption in the United States for 1907 was 2,993,979 long tons, or 6,706,512,960 pounds, an average of 77.5 pounds per capita, or 387.5 pounds per family of five.

So this shows that under this bill the sugar monopoly is allowed to reach into every home, to every cottage and cabin in the land, and take the sum of almost \$4 from each family per year, while if we had free sugar it would save all families who use 387 pounds per year more than \$7.

There is another provision of this bill to which I wish to invite your attention. The Ways and Means Committee three times reported favorably a bill taking the tax off tobacco in the hand or unmanufactured state. Many of you are familiar with the conditions in Kentucky. The tobacco trust, which is protected in this bill in the sale of its manufactured tobacco by more than 100 per cent, went down into my country and they monopolized and trustized and organized all the competitive buyers. And what did they do? They fixed the price at which the farmer had to sell his tobacco. They laid the country off, and they said to one man, "You can go this road," and to the

other, "You must go that." They said to one man, "You can go and buy on this side of the road," and to the other, "You must not go." What was the result? They fixed the price of the farmer's tobacco, and forced it down from \$12 to \$3 a hundred. I am speaking of the dark tobacco.

Mr. GARRETT. Will the gentleman permit a statement right there?

Mr. JAMES. Certainly.

Mr. GARRETT. In my own county there are instances of farmers owning land on both sides of the road and having tobacco on both sides of the road. I know of several such cases, but I speak of one that I remember of just now, when a buyer from town went to the barn on one side of the road and bought the tobacco in it, and refused to look at the same kind of tobacco on the other side of the road because, he said, under his orders he was not permitted to do it.

Mr. JAMES. That is undoubtedly true. The reason he would not look at it was because it was not in his territory, the territory fixed by the trust. What is the result? Our people, patriotic people who love the Government as well as any of your people, do not ask your aid; we do not want a bounty from the Treasury; we do not ask legislative aid to make our tobacco sell for more; we only ask that you do not use the power of the Government against us in favor of the trust. [Applause.] We only ask the right to sell what we grow to whom we please in its natural state. We demand that you repeal the law that forces us to sell to the tobacco trust and denies us the right to sell to the people. [Applause.] You say to our farmers that they shall not be able to sell their tobacco to anybody but the trust. [Applause.] The farmer has had this tariff racket worked on him in two ways: To increase the price of the necessities of life, which he must buy from the manufacturers, and decrease the price of the article he has to sell. The Committee on Ways and Means reported the bill unanimously, and unanimously it passed the House three times, in the Fifty-eighth, Fifty-ninth, and Sixtieth Congresses, taking the tax off unmanufactured tobacco. But in the Senate it halted. They never would give it consideration, and when this tariff bill came before the House I asked the chairman of the Committee on Ways and Means [Mr. PAYNE] if he would agree to an amendment taking the tax off of tobacco, and he said, "Well, we better not load this bill down too much." I said, "It will not be loading it down; it will lighten it up." [Applause.] It would lighten the hearts, lighten the homes, and lighten the lives of our people. [Applause.] I want to call the attention of my friend across the aisle to the Republican platform upon the question of the tobacco tax, which is not included in this bill. Your party said this in 1888: "We pledge ourselves to repeal the tax upon tobacco, which is an annoyance and burden to agriculture." When was that? In 1888. Twenty years and more have gone and the pledge remains unredeemed.

We had almost an industrial war in Kentucky caused by the merciless oppression of this tobacco trust. The people have stood the grinding. They were almost driven to desperation, gouged and oppressed, and their children made ragged by this trust. Our people are law-abiding, law-loving, church-going people. I have always appealed to them to abide by the law; that their remedy was in an appeal to you, to your conscience, to your idea of fair play and justice; I have told them that they would get justice, that my appeal to you would not be in vain. [Loud applause.]

Mr. Chairman, I very much regretted to see this bill brought in without any provision for an income tax. I know that when you talk of an income tax it may be said, "Oh, an income tax is unconstitutional." But, gentlemen, remember that, though that law had been held to be constitutional for a hundred years, the wealth of the country never stopped its battle, and when the tax was imposed, as it was in 1894, the wealth of the country believed in perseverance, and went to the Supreme Court of the United States and fought again to have that tax declared unconstitutional. What was the result, gentlemen? In this country to-day, out of \$110,000,000,000 of wealth, \$80,000,000,000 of the wealth of this country does not pay a dollar to help keep up this great Government whose beneficence it enjoys. Why, let me read you briefly from a statement made by this author:

In a modest, old-fashioned building in Wall street, so modest that it seems out of place in the locality of the canyon-like streets of America's great financial center, there gather occasionally about a directors' table 23 men who all but own the United States. They are the directors of the National City Bank, of New York, the greatest bank of America, and they represent a total financial power of \$11,000,000,000, or about one-tenth the entire wealth of the United States of America.

How much does that wealth pay to keep up this Government? Practically nothing; yet you take it off of those people and put



it on those who consume the necessities of life. [Applause on the Democratic side.]

But, further, there are in this country 7,305,448 depositors in the savings banks of America. How much have they under this glorious system of protection about which you tell us so much? By lives of self-denial, travail, and toil, they have been enabled to save \$3,060,000,000 of money, representing, as they do, about 40,000,000 of our people; but here 23 men under your system of protection, exempt from taxation, have four times as much controlling power of money as nearly 40,000,000 of our people in the United States of America. [Applause on the Democratic side.]

An income tax is the most just of all taxes. There is not a civilized country in the world that does not impose an income tax. The man who is making money is able to pay of his profits more than the poor fellow is able to pay of his earnings. Let us see what Secretary Taft said upon the income tax. The other day when the gentleman from New York was speaking and this question was brought up, he said he doubted if Secretary Taft made a statement like that. I went to the paper owned by Secretary Taft's own brother, and his own brother's paper published this statement as coming from Secretary Taft, who is now President of the United States. It was in a speech that he prepared and gave out, and it was published in every paper in the United States, and here is what he said:

A graduated income tax would also have a tendency to reduce the motive for the accumulation of enormous wealth, but the Supreme Court has held an income tax not to be a valid exercise of power by the Federal Government. The objection to it from a practical standpoint is its inquisitorial character and the premium it puts on perjury. In times of great national need, however, an income tax would be of great assistance in furnishing means to carry on the Government and it is not free from doubt how the Supreme Court, with changed membership, would view a new income tax law under such conditions. The court was nearly evenly divided in the last case, and during the civil war great sums were collected without judicial interference, and as it was then supposed within the federal power.

Let us analyze this statement briefly; let us see whether or not the objections given are good; let us see if the time for an income tax has not arrived. President Taft says:

In times of great national need, however, an income tax would be of great assistance in furnishing means to carry on the Government.

What is a time of great national need, Mr. Chairman, in the affairs of a government? Is not this such a time? Why, President Taft himself told us in his message that the deficit in the Treasury amounted to more than a hundred million dollars, and in this very bill we are now considering there is a provision for the issuance of \$250,000,000 worth of interest-bearing bonds, bonding the property, the earning capacity, and the patriotism of the American people to this great extent, which bonds are to bear interest at the rate of 3 per cent. Is this a time of great need, with an empty treasury, a deficit of more than a hundred million dollars, and the issuance of bonds pending to this great extent? Let us strike out this bond issue, let us call upon these great fortunes, made by monopolies, trusts, and combinations, to bear some of the burdens of this great Government. Although it is not inquisitorial to inquire of the poor man how many hogs he has, how many horses he has—you are not inquisitorial then—but when you approach a man with a mighty fortune, you are inquisitorial when you ask him what he has. [Applause on the Democratic side.] But let us proceed.

And the premium it puts on perjury—

According to that objection, in order to keep the millionaires honest and keep them from committing perjury, we must allow them to go untaxed, because if we tax them they will swear to a lie about it. [Applause on the Democratic side.]

But let us examine this statement further—

and it is not free from doubt—

Mark the language—

It is not free from doubt how the Supreme Court, with its changed membership, would view an income-tax law under such conditions. The court was nearly evenly divided in the last case, and during the civil war great sums were collected without judicial interference, and, as it was then believed, within the federal power.

How many men are on the bench who were there when this income-tax law was declared unconstitutional, when one judge changed his mind between the setting and the rising of the sun? [Applause on the Democratic side.] How many upon that bench were for an income tax, and how many against it? How did they stand upon that case? Two of them were in favor of an income tax and two of them were against it who now remain upon the bench. Five new members are upon the bench, who

have been appointed since this decision. I believe that when this income tax again comes before our federal court they will declare it constitutional. President Taft says it is not free from doubt, and he is a great lawyer; but my sincere regret is that President Taft did not rise to the occasion and send to this House a message calling upon us to place upon the incomes of the rich, the corporations, and monopolies an income tax. [Applause.]

The gentleman from Minnesota [Mr. STEVENS], who was in consultation with the President, tells us that he will introduce a bill for an income tax. I asked him, "Will you introduce it as an amendment to this bill?" "Oh, no," he said, "we do not want to embarrass this bill." Is it an embarrassment to a bill that taxes the poor man's coffee, his sugar, his farming implements, his clothes, and all that he consumes—is it an embarrassment to that bill to provide an amendment taxing in some degree the mighty fortunes that pile up like Pelion on Ossa? [Applause on the Democratic side.]

Mr. HARDY. Will the gentleman yield for an answer?

Mr. JAMES. I yield to the gentleman.

Mr. HARDY. I wish, in my way, to answer that it is an embarrassment to this bill to tax the rich, because this is a bill simply to tax the poor. [Laughter and applause on the Democratic side.]

Mr. JAMES. I entirely agree with the gentleman's statement; it is a good answer. I was in hopes that it might come from the other side of the aisle in the same spirit as it was given by my friend from Texas.

Mr. BARTLETT of Georgia. Will the gentleman yield?

Mr. JAMES. Certainly.

Mr. BARTLETT of Georgia. I want to call the attention of the gentleman from Kentucky, the House, and the country to the fact that what the gentleman has read from Secretary Taft's speech in Ohio in reference to an income tax is about what was in the Democratic platform of 1896; and for so declaring the Republicans and some Democrats criticised it as an assault on the court because we said it indicated that the court might change its opinion.

Mr. JAMES. That is undoubtedly true. But gentlemen have observed the political events that have followed, and the Democratic party stood out in the wilderness and advocated this doctrine when it was unpopular, and now the Republicans come along and try to advocate the same thing by innuendo, but not in the real spirit in which it ought to be incorporated into law. They promise, but never perform. You say you will present an income-tax law. When are you going to do it? Thirteen years have gone and no income-tax law has been presented. I want to say that one will be offered to this bill as an amendment, unless the machine of this House denies us this right by a rule, and you gentlemen will have an opportunity to vote upon it, and then we shall see how you will line up on this question.

Mr. BARTLETT of Georgia. What I wanted to call attention to was the fact that what we did in 1896 was called an attack upon the court, and that we have been followed in that attack by men who are now chiefs in the Republican party.

Mr. JAMES. Of course, nobody can attack the court except a Democrat. The Republicans can talk about the court any way they please and it is no attack; but if a Democrat says anything about a decision, it is a terrific assault on the integrity of the court. [Laughter and applause on the Democratic side.]

When you view this bill, up one side and down the other, it reminds me of the old lady who had the only spring in the neighborhood, and she always gave freely to everybody who came for water. She was most generous, and when the drought came on she was just as liberal; and finally the neighbors said: "She is such a good old woman and has never seen anything of the world, but has always so longed to see the ocean; we will make up some money and send her to the seashore." They did so, and put her on the train, and she made the journey to the seashore; and as she stood looking out upon its broad, tossing, rolling bosom, a broad smile spread over her face, and she exclaimed, as she threw up her hands: "Thank God, there is water enough for us all." [Laughter.]

And so it is with the trusts of the United States. As they gather about this bill, looking over its various items, seeing safely written upon its pages their continued license to steal, a broad smile spreads over their faces, as they throw their hands up and exclaim, "Thank God, there is loot enough in it for us all!" [Laughter and continued applause on the Democratic side.]

The CHAIRMAN. The gentleman from Washington [Mr. CUSHMAN] is recognized. [Applause.]

Mr. CUSHMAN. Mr. Chairman, it is with more hesitancy than usual that I rise this morning to add my few words

to this debate upon the all-absorbing topic of tariff revision. I do so rather from what I conceive to be a sense of duty than from any personal inclination. It is known to all my colleagues on this floor on both sides of the Chamber that I am the "baby member" of the Ways and Means Committee—the committee having this important bill in charge.

Speaker CANNON recently appointed me to this important place. It has been an observation of my life—frequently confirmed by experience—that gratitude in this world usually runs in the inverse ratio to our deserts. The less capacity a man has for a place the more grateful he feels when he gets it. I merely allude, in passing, to this general trait of mankind, and in that connection state that my gratitude for this appointment can only be measured in the superlative degree. [Laughter and applause.]

I felt when I received this appointment that I had been handed a larger portfolio than I merited. But I recalled that when I was a boy my father purchased a certain pair of trousers for me. And did they fit? Not on your life! No American boy ever had a suit of clothes bought for him that fitted him at the time. Those trousers hung around my emaciated form like a collapsed balloon, but dad said they would be all right, because I "was goin' to grow." It may be that the Speaker of the House indulged in a similar fond anticipation when he appointed me to a place on this committee. He may have thought that I "was goin' to grow." [Laughter.]

Mr. Chairman, the thanks not alone of the membership of this House but of the country at large are due to these older members of the Ways and Means Committee. They have labored hard and long to produce a bill that in their judgment will meet on the one hand the necessities of the United States Treasury, and upon the other hand the necessities of the consumer—and that contains provisions that maintain the doctrine of protection to American industries.

My remarks on this bill to-day will be personal. By that I mean I do not presume to speak for the committee nor for anyone else save and excepting myself.

I shall speak upon my own responsibility and according to my light, granting a similar privilege to all others.

I was not appointed a member of the Ways and Means Committee until March 16, 1909. And it so happened that when I was appointed that that great committee had then been at work almost continuously for five months framing this lengthy bill.

Immediately after my appointment I went to the committee room and was then advised by the older members of the committee that the bill had been entirely prepared and was then ready to be introduced. I thought of the old Spanish proverb to the effect, "When buying a horse or selecting a wife, shut your eyes and commend your soul to God." [Laughter.] And the committee, in a sense at least, invited me to close my eyes and commend this bill to the tender mercies of this great House. I did so, and here we are.

I make this statement in order that it may be understood in future days that while this bill in some degree reflects my ideas, I had no chance in the committee to attempt to make it in all respects what I think it ought to be.

Before leaving that subject I would like to add that when as a brand new member I reached the Ways and Means Committee room the great Democratic leader of this House, my friend from Missouri [Mr. CLARK] paid me one of the most priceless and cherished compliments I ever received, and I shall cherish the memory of it all the days of my life.

He came forward graciously, seized my hand warmly and shook it cordially, and then said with evident feeling: "*And Satan came also!*" [Applause and laughter.]

When I consider the tariff-for-revenue views of that eminent gentleman as contrasted with my belief in the doctrine of protection to American industries, I consider that quite a compliment.

#### THE MOUNTAIN OF SORROW.

I read, when I was a child I think it was, one of the fables of Addison, which he called the "Mountain of Sorrow."

There was in those days, according to that fable, a god who was in charge of the destinies of the people.

He was not the god Billiken, who is the "God of Things as They Ought to Be," but he was evidently the god of trouble.

Because the people were discontented, the multitude was murmuring. They were discontented, each complaining of his individual trouble or burden. And the god called them together one day in a great valley in the mountains. He invited each sorrowing son of Adam to lay aside his own particular burden and frolic all day unhindered and unhampered.

Each laid off his particular sorrow, his misfortune, or his

affliction, and the pile rose like a great mountain in the midst of the plain.

The old women threw away their wrinkles and the young women their freckles; one laid down his sickness and another his deformity—and one man cheerfully added to the heap as his contribution a quarrelsome wife.

After they had frolicked all day and evening came the god informed them that each must return to that pile and pick up and carry away not necessarily the burden that he had laid down, but *one* burden, either his or another man's.

That sorrowing throng walked round and round that aggregation of human misery, and finally each one picked up and carried off with him the same individual sorrow and burden that in the morning he had laid down.

That fable was destined to teach us that heavy as our own burden seems it may in reality be no heavier than that which our neighbor carries.

If I should attempt to apply that fable to this tariff revision trouble of ours, I should certainly confer upon the gentleman from New York [Mr. PAYNE] the distinction of the title rôle, and designate him as the "god of trouble," because we are all murmuring at him, and each of us claiming that the burden which his bill casts upon us is heavier and more grievous than that borne by any other.

When I think of the mighty lumber and coal interests of my State and the thousands of people depending upon those industries for bread, and think of the provisions of this bill regarding those industries, I confess I think my burden is heavier than that of others.

But perhaps if each of the 391 Members of this House were given a chance to lay down his own particular complaint and take instead the troubles of another, it might be that, like the people in the fable, each sad son of Adam might pick up again his own particular burden.

Mr. Chairman, there are many embarrassments surrounding the formation of any tariff bill.

It is even a gigantic task to comprehend a tariff bill after it has been framed. As I stand here to-day trying to discuss this bill I feel like one trying to grasp a globe larger than his hand could hold.

There are some provisions in this bill which do not meet my views, chief among them are the provisions regarding lumber and coal—and also hides.

I shall before I sit down probably make some adverse criticisms relating to several schedules of this bill. I trust that in so doing I will not be considered discourteous, or unfair to my fellow-members on the Ways and Means Committee. I do not intend to make any unjustifiable onslaught on this measure.

The only reason that justifies any man in rising to speak on this or any other bill is that he may give expression to his honest views. If we all sit here and conceal rather than express what we believe, then our deliberations become a mockery and a failure.

If I criticize some of the provisions of this bill I want it understood that I still have a great and high regard for all the members of the Committee on Ways and Means who have labored so hard on this measure, not for the benefit of any particular section, but for the benefit of the entire country.

The framing of a tariff bill is surrounded with difficulties and embarrassments that are not understood by all the people of this nation at large. It is not easy to revise the tariff and produce a perfect bill.

Thomas B. Reed once said:

Did a perfect tariff bill ever exist? Oh, yes. Where? Why, in your mind, of course. Everybody has a perfect tariff bill in his mind, but unfortunately a bill of that character has no extra-territorial jurisdiction.

[Laughter.]

#### THE HOME BY LARAMIE PEAK.

I had an experience in my youth that I think illustrates some of the difficulties that surround the building of an American tariff.

The present populous and thrifty State of Wyoming twenty-five years ago was a sparsely settled territory possessing a few towns that struggled on with the ambition to be cities, possessing many frontier settlements, each surrounded with a fringe of empty tin cans, a horizon of sage brush, and an unlimited destiny. [Laughter and applause.] The great Laramie Plains stretched out on the bosom of that broad domain like the open hand of the Infinite. Along the northern border of these plains rose the Laramie Mountains, and from out the surrounding and lesser hills rose old Laramie Peak standing like a mighty sentinel upon the horizon.



A quarter of a century ago, a lad in my teens, barefooted and footsore, I walked across those plains and toward that old mountain peak that seemed to beckon to me when I had nowhere else to go.

Underneath the shadow of that majestic mountain my mother, my brother, and I built our little cabin home. It was only a cabin built of logs, but it sheltered hearts as pure and hopes as exalted as ever existed beneath the sweep of the Almighty stars. [Applause.]

But it is not of those things that I intended to speak; but I do want to refer for a moment to the building of that cabin, because I think it points a moral and adorns a tale. That structure in my judgment to-day constitutes the eighth wonder of the world. Certain it is that on all the wide bosom of the planet it has no counterpart, because the ordinary dwelling is rectangular in shape and the opposite sides and ends are of the same length. Not so with that structure. There were four of us who builded that cabin—one to each side—and each fellow made his own particular side of the length he thought it ought to be without any reference to the length that the other fellow was making his side. [Laughter.] And when we got through and took the exact measurements we had a cabin that was 16½ by 17 by 22½ by 24 on the ground, and sloped up at different angles and dimensions as it rose toward the roof.

Jack and Jim and brother Ed and I were the four workmen who builded that mighty structure. And for the past quarter of a century each one has contended that it would have been a monument of architectural perfection and a dream of symmetrical beauty had it not been for the other three fools whose lack of sense spoiled it.

But, sir, there it stands on the hillside to-day, hospitable but hideous. It is a monument to the fact that when four men start to build a house that the final product will be a composite photograph of the brains, or lack of brains, of all of them.

And the same thing, my friends, is true of a tariff bill. We have here in this House 391 boss carpenters, each with a tariff broadax, who will whittle and chop away at this measure to their hearts' content, taking orders from no one else. And then we have 92 eminent gentlemen in the Senate, at the other end of this Capitol, and after we have finished with the bill each one of them will hew away at it unrestrained by anything save the fear of God and the approaching election! [Laughter and applause.]

And thus it sometimes happens, sir, that when the American Congress after a fierce and prolonged struggle brings forth a so-called "finished tariff bill" and sets it up on the hillside for the inspection of the American public it is found to be like that little cabin out in the valley of the Laramie Mountains—a little out of plumb. [Laughter.]

The tariff question is a practical question. Why? Because the adjustment of our governmental revenues and expenditures is a practical question.

One of the nation's chief sources of revenue is the tariff—that is, the duties levied on imports. Therefore the tariff is the thing which to a large extent fixes the amount of our government revenue, and it will continue to be a source of argument and controversy as long as that system of raising revenue continues.

There are theorists and dreamers of dreams who say they expect to live to see the day when the tariff question shall be removed from the domain of American politics.

So long as our revenues are derived from the tariff, just that long will the tariff question remain a live issue in American politics.

American politics with the tariff left out would be like peach pie without any peaches, or like the play of Hamlet with the melancholy Dane omitted.

#### I AM A PROTECTIONIST.

Speaking for myself, sir, I am a protectionist, without any qualifying adjectives. I am not only a protectionist, but a high protectionist.

I believe in the protection of American industry and the protection of American labor—yes, I believe in it like the heathen believes in his idol.

That may sound a little strange in these degenerate days, when a great many men don't seem to have any fixed convictions on any subject but act like human weather vanes trying to point in any direction that the shifting breeze of popularity or prejudice may temporarily indicate.

When I say that I am a protectionist, I thank my God I don't have to apologize to anybody for that belief. I can plant the

feet of my faith on the pages of my country's history. [Applause.]

Time and again in experience, and by the light of history, I have seen the industries of my nation flourish under protection, and I have seen them fade under free trade—or tariff for revenue only, which is another name for free trade.

If a man is a genuine protectionist he believes in protection all the way through—and not in spots. A genuine protectionist wants the industries of his own region protected, and is willing to grant that same right to other people and other industries.

Frequently you will hear a man say, "I am a protectionist, but I am in favor of free lumber," or "I am a protectionist, but I am in favor of free hides." The man whose Republican convictions are not any deeper than his selfishness is not a protectionist. The man who wants his own industries protected, but who is willing to leave his neighbor's industry naked to the competition of the world, is not a Republican; he is just a common political cannibal, willing to eat up his neighbor.

For the man who really believes in protection, I have the greatest admiration.

For the man who honestly believes in free trade, I have at least respect. I do not agree with him, but I respect his consistency.

But for the spotted animal who wants his industry protected and his neighbor's industry left naked to the industrial winds of all the world, I have neither admiration nor respect.

The two great achievements of the Republican party in its political lifetime have been, first, the settlement and adjustment of those vexed questions which grew out of the great civil war—now happily forgiven if not forgotten; second, the building of a great and prosperous industrial system under the protecting wing of an American tariff law.

If you take away from the record of the Republican party all the splendid fruits that have grown under its system of protection, you will find but little left.

The Democratic leaders may rail about the system of protection and promise grander returns to the laboring man under their chosen plan, but there is an old saying that "the proof of the pudding is in the chewing of the string." The promises of the Democratic party have been infinite—but where are its performances?

I have heard a number of eminent gentlemen on the Democratic side of this House speaking in the last few days in behalf of a tariff for revenue. I heard the young gentleman from Texas [Mr. SHEPPARD] deliver one of the most finished and beautiful orations I have heard in many a day. As a literary product, pure and simple, I am willing to add my leaf to the wreath which the Democrats of this House laid at his feet when he concluded.

But as a historic justification of the policy and the performances of the Democratic party it was as empty as the seashell which sings in your ear from sheer emptiness.

My Texas friend spoke feelingly of two Democratic free-trade laws which had vindicated themselves in operation. What two laws were they? He spoke of the acts of 1824 and 1847! The last of those laws was enacted sixty-seven years ago. Has the Democratic party no history since sixty-seven years ago? My young friend does not appear to be an old man, and yet I marveled much at two things: First, how he was able to remember so accurately the effects of a tariff bill that was enacted some thirty years before he was born, and, second, how he could do utterly forget the Democratic Wilson bill that was enacted during his lifetime.

He appealed to the imaginations of men. I appeal to their recollections. He sought to vindicate a theory. I refer to a demonstration. He wandered in the realms of fancy. I turn the pages of history to recently recorded facts.

In 1894 we tried the same policy that is to-day advocated by the free-trade or tariff-for-revenue side of this House, and the question rises before us to-day, "How did your theory work when you tried it last?" It was a humiliating failure.

Well, we have the same country here now that we had then; we have the same people that we had then; we have the same industries that we had then; we have the same soil beneath us and the same sky above us. If it did not work then what makes you think it will work now? [Applause.]

I regret that there seems to be growing up in this country a disposition on the part of some of our Republican brethren to drift away a little from the doctrine of protection.

That same disposition was manifest in this nation just before the last Democratic victory. Their victory was due then more to our weakness and vacillation than to the strength of their own cause. Are you going to help create a similar result again?

What the Republicans of this nation need to-day more than they need all things else is to have their faith renewed.

There is an old saying that "the blood of the martyr is the seed of the church." By that it was meant that the blood of the persecuted strengthened the faith of the living. The church was stronger after the sacrifice than before.

If I might paraphrase that old saying I would exclaim that "the destruction of American industries is the seed of Republican faith."

In other words, some Republicans seem to require a disastrous demonstration of Democratic doctrines about every ten or fifteen years in order to strengthen their faith in their own belief.

So far as I am concerned I don't need to have my faith halfoiled. My memory is still working.

I have certain fixed convictions, and one of those convictions is in favor of a high protective tariff law, and on that I am willing to plant my feet and go up or down with it. [Applause.]

Some man asks, "Well, how high ought protection to be?" My friends, you can not figure out in degrees or percentages how high a tariff ought to be. In my judgment an American protective tariff ought to be high enough to protect the industries that it was built to defend; and no tariff wall, however altitudinous, that has that object in view has any terrors for me.

I was raised on the farm. We had a "breachy" old mare in those days that was in the habit of jumping into the corn field. We started in to raise the height of that rail fence. We raised it from five rails to six rails, but that did not stop her; we raised it from six rails to seven rails, but that did not stop her; we raised it from seven rails to eight rails, but that did not stop her; but when we added the ninth rail we reached the limit of her vaulting capacity. For the purposes of protection, had that fence been one rail less, it might as well have been "a painted ship upon a painted ocean." [Applause on the Republican side.]

The way to build a tariff wall is to build it high enough to protect. I knew a man once who fell into a cistern. He was a very tall man. He was 6 feet tall. Now, the water in that cistern was only 6 feet and 2 inches deep, only 2 short inches over his head; but he drowned as effectually as if he had been dropped into the depths of the unfathomable ocean. [Laughter.]

You talk about lowering the tariff wall by degrees or per cents. You may only lower the tariff on a given article 2 per cent, but that 2 per cent may be like the last two inches of water in that cistern—just enough to destroy. And when you lower a tariff wall enough to destroy an American industry, the blood of that industry is on your hands.

I say these things in order that it may be understood that I have not lost either my faith in protection nor my courage in proclaiming what I believe.

#### STICK TO THE DIET THAT AGREES WITH YOU.

In its inception in America the protective tariff found its justification in the fact that it built up our infant industries.

In its maturity the protective tariff finds its justification in the fact that it is the mightiest single instrument in this nation for maintaining the prosperity of all classes and all sections of our common country.

Some men will say, "Well, I did not object to it when our nation was young, but how long are you going to continue to protect these industries?"

Let me tell you a little story that answers that question:

A few years ago I had a very fierce attack of indigestion. I had been eating all kinds of truck that no human stomach should ever try to assimilate. In the midst of my troubles I went to a doctor who put me on a very simple diet of rice and boiled eggs and brown bread and fresh beef, etc.

I soon got into first-rate shape again. And then my old appetite returned. I longed to eat plum pudding and fruit cake; I had a hankering for hot mince pie, and the contents of the seductive chaffing dish—that tastes so good *going down* and so bad *coming up*.

Finally one day I spoke to the doctor and said:

"How long do you expect me to keep on this diet you have prescribed for me?"

He said to me: "Young man, don't you think it would be a good idea for you to stick to that diet *as long as it agrees with you*?"

And I say to the American people that it will be an almighty good idea for us, as a nation, to stick to the protective tariff as long as it agrees with our welfare and our prosperity.

And when men tell you that protection does not agree with us as a nation, ask them to point out to you some other national diet that when tried agreed with us better.

Some of these free-trade notions are like the contents of the chaffing dish—they are fair to look upon, but are followed by terrible results when absorbed into the system.

Men will talk about things being "cheap" and being "dear." Did it ever occur to you that the two terms "cheap" and "dear" are relative terms and not absolute? Nothing in this world is dear at any price if you can procure it with financial ease. And nothing in this world is cheap at any price if you haven't got the money to get it. [Applause on the Republican side.]

My beloved friend from Missouri [Mr. CLARK] appealed in his speech to the farmer and the laboring man, because he said he wanted them to have an opportunity to get things cheap.

To my mind that argument constitutes the fundamental and underlying weakness of the whole Democratic theory. You go to the man who is receiving high wages, when employment is abundant and industry universal, and you say to him, "My friend, the only trouble with you is you have to pay too much for what you buy. You vote the Democratic party into power and we will scale down the price of what you have to buy."

You leave that man under the delusion that while you are scaling down the price of everything which he has to buy, that his own product and his own wages shall remain alone and undisturbed on the high scale they occupy.

He votes you into power, and then he discovers that you do reduce the price of what he has to buy 50 per cent, but at the same time you have reduced his ability to buy it 100 per cent. [Applause.]

You say you are going to bring down the price of products and the price of living. How are you going to do it? The price of products in all free countries on earth rests upon the price of labor—because it is labor that makes the product. The only kind of a country on earth where the price of labor does not control the price of products is in a slave country where labor is unpaid. When labor is high, the things that labor produces are likewise high—they are bound to be. You talk about keeping down the price of commodities without lowering the price of labor.

It was old Archimedes who once said that given a fulcrum on which to rest his lever he could move the world. When you attempt to adjust your lever to bring down the price of living expenses and commodities, there is only one fulcrum on earth upon which you can rest that lever, and that is the price of labor and wages.

And when you rest your lever on that fulcrum, for every inch you pry down commodities you will lower labor two inches. [Applause.] That is the place where your philosophy lands you.

Gentlemen on the other side of the aisle have talked uncensuringly upon what they choose to call the iniquities of this Payne tariff bill.

Gentlemen, let me ask you where is your bill? Have you any bill here that you propose as a substitute for it? It is an easy thing for a man to stand up and make an onslaught on somebody else's bill. It is an easy thing to criticize, but it takes genius to create. And I say to this nation to-day, that it would be a most interesting contribution to the political literature of this nation to have printed side by side in deadly parallel columns exactly what bill you gentlemen propose as a substitute for this bill.

#### TWO PICTURES OF PACIFIC AVENUE.

My Democratic friends, you are always telling the American people what you are going to do for them in the future when you get into power and revise the tariff. Why don't you tell the American people what you did do to them when you were last in power and did revise the tariff?

I have lived in the city of Tacoma, in the State of Washington, since and before the year of 1894.

In the year of 1894 the Democratic Wilson free-trade law was working in this country—and it was the only thing in the nation that was working.

Pacific avenue is the main business street in my home city. And there rises in my mind two vastly different and contrasting pictures of that great avenue.

Every time I walk down Pacific avenue in these good days my mind harks back to those old Democratic days of 1894.

In those days, in the gloom and the silence of that desolate and all but abandoned highway, no sound of genuine progress stirred the stillness.

The only hammer that was heard in those days was the hammer of the sheriff, who with remorseless haste was foreclosing not only the property equities but the human hopes of men.



To-day along that avenue I can hear the ever-increasing hum of established commerce, mingled with the click of the builder's hammer repairing old and building new structures in a frantic effort to keep pace with the nation's increasing business and prosperity.

Permit me to remind you that this mighty change was not wrought by that much-heralded Democratic panacea, "The free coinage of silver at 16 to 1." [Applause.]

In 1894 the only industrial(?) demonstration that occurred along that avenue was when Jumbo Cantwell, with the left wing of "Coxey's industrial army," passed that way—and the echo of their misguided tread resounded through empty buildings and amidst deserted market places.

To-day along that dear old avenue I see a mighty throng of my countrymen, so many and so busy that they elbow each other off the pavement and into the street in an effort to get along. The sides of that street are lined with stores full of things to sell, and the middle of that street is filled with people who have money to buy. [Applause.]

Permit me to remind you that the idiocies and idiosyncrasies of the Democratic party did not produce these great results.

In 1894 honest but hungry men fought each other and cursed their country because of the misunderstandings born of those desperate days.

To-day the toilers of America, in peace and plenty, look out upon an industrial field of more work and better wages than mankind has ever known before.

Permit me to remind you that William Jennings Bryan is not responsible for that mighty industrial resurrection.

In the midst of these distressing scenes and disheartening days there came to us as a Nation a voice sounding from the midst of our industrial wilderness.

It was the voice of William McKinley. That voice reached the ears, touched the hearts, and moved the understanding of the American people. He had God-given sense enough to know that you can not legislate a nation into wealth by cutting in two the purchasing power of the money.

His voice sounded like a bugle call across a field of strife whereon the battle had been all but lost.

Ah, sir, that bugle call sounded a distinct double note. It sounded retreat for those politicians whose false policies had brought disaster to this Nation and its people. But it also sounded a grand forward movement for Americans all along the line.

Once again the unnumbered millions of our countrymen formed into the ranks and battalions of labor's peaceful army and moved out again to occupy the vast and fruitful plain of American industry. [Applause.]

Mr. WEISSE. Will the gentleman yield for a question?

Mr. CUSHMAN. Certainly.

Mr. WEISSE. I am glad the gentleman says his country is in such great shape. According to Bradstreet's reports for the last two years the total failures have been \$679,000,000, against \$533,000,000 in two Democratic years. [Loud applause on the Democratic side.] Is that difference the result of the Dingley bill?

Mr. CUSHMAN. I have not examined the figures the gentleman refers to. I do not know whether they are correct or not; and, to my mind, they would not prove much if they were conceded to be correct.

Let me give the gentleman a few instances that do not deal with capital, but deal with labor conditions. We have heard a great deal of talk in these last two years about Republican panic and the depressed conditions that existed. I confess I have failed to see it.

Last fall in the city of Spokane, in the State of Washington, in September, 1908, I noted the following signs along the street:

Wanted.—Enaville, on Idaho Northern: 10 teamsters, \$2.25 per day; 15 trackmen, \$2 per day; 25 laborers, \$2 per day.  
Wanted.—Idaho Northern Electric Road: 10 teamsters, \$2.25 per day.  
Wanted.—10 men for surfacing, free pass, \$2 per day.  
Wanted.—5 men east to-day, free pass, \$2 per day.  
Wanted.—2 men for brickyard, \$2 per day.  
Wanted.—5 steam-shovel laborers, free pass, ship to-day, \$2 per day.  
Wanted.—3 yard men, \$2 per day.  
Wanted.—Extra gang, Chicago, Milwaukee and St. Paul, \$2 per day, company work, fare advanced.  
Wanted.—10 spikers, Chicago, Milwaukee and St. Paul, \$2.50 per day.  
Wanted.—Government ditch, Montana: 15 teamsters, 25 cents per hour; 10 scraper holders, 25 cents per hour; 10 wood choppers and 6 laborers, \$2.25 per day.  
Wanted.—Plasterers wanted, union wages.  
Wanted.—Plane men, \$3 per day.  
Wanted.—15 railroad spikers, \$2.50 per day.  
Wanted.—Carpenters' helpers, \$2.25 per day.  
Wanted.—Milkman, \$35 and board. Close in.

Wanted.—Lumber piler, \$3 per day.  
Wanted.—3 sawmill laborers, \$2.25 per day.  
Wanted.—6 yard men, railroad work, \$2 per day.  
Wanted.—Carpenters, \$3.50 to \$4.50 per day.  
Wanted.—5 rough carpenters, \$3.50 per day.  
Wanted.—6 laborers, West, \$2.25 per day.  
Wanted.—4 cable men, \$2.25 per day.  
Wanted.—6 pitmen, \$2.25 per day.

Now, can the gentleman refer to any condition similar to that when he and his party were in power? And if that is the condition of the laborer in this Nation, with the opportunity to work, what significance have your figures?

Mr. WEISSE. If the gentleman will allow me, I will answer his question.

Mr. CUSHMAN. I shall be most happy.

Mr. WEISSE. I am glad that those conditions exist in the State of Washington; but according to labor reports 40 per cent of manufacturing American labor has been out of work for the last eighteen months.

Mr. CUSHMAN. That is not true. [Applause on the Republican side.]

Mr. WEISSE. There are thousands of them to be had, and all the Chicago and Northwestern Railroad is paying to-day is \$1.25 to section men in Wisconsin; but instead of working them nine hours as they did in 1893, they work them ten hours for the same wages. [Applause on the Democratic side.]

Mr. CUSHMAN. Of course I am not familiar with the conditions that may exist in Wisconsin, but I can give the gentleman a few facts regarding the conditions in the State of Washington. The common labor that built much of the Pacific coast extension of the Milwaukee road was paid \$2.50 per day—and they had trouble often getting laborers for that. I do not believe that the conditions to-day are quite so prosperous as two years ago; but when the gentleman attempts to make the country believe that the conditions now are similar to the conditions that existed when he and his party were in power, he has taken on his broad shoulders an almighty large job. [Applause on the Republican side.]

There sits above and beyond all figures and statistics the common sense of mankind. When I went over this Nation in 1894 the dominating feature of the human landscape was rags. Nearly every man had his American posterior ornamented with either a patch or a puncture—and sometimes both. [Laughter.] In the last few years I have traveled up and down this country lengthwise, sidewise, and otherwise, and I have scarcely seen an idle or a ragged man. Now, if the multitude of American laborers are being pressed and ground down the way you say they are, they are about the best dressed and best fed assembly of down-trodden patriots that I have ever seen.

Occasionally in my home city of Tacoma on Saturday evening I take my wife and my mother and go down into the city and watch the throng along Pacific avenue. And I defy any man on earth who is a stranger in that city to tell from looking at that crowd by their clothes or any other way who is the banker and who is the artisan, who is the business man, or who is the machinist. They wear as good clothes as anybody, and they wear them as well as anybody. [Applause on the Republican side.]

Mr. WEISSE. The gentleman has not yet answered my question. Does the gentleman say that 40 per cent of American labor has not been idle?

Mr. CUSHMAN. I do.

Mr. WEISSE. Then you deny the statistics.

Mr. CUSHMAN. I deny emphatically that 40 per cent of the men in this country are idle. I know it is not true. [Applause on the Republican side.]

Mr. WEISSE. Do you deny Bradstreet's report that there were \$689,000,000 worth of failures in the last two years of panic?

Mr. CUSHMAN. I have not seen the figures that the gentleman refers to, but I have seen the country. There is an old saying that figures won't lie, but the converse of that is that liars will figure. I do not apply that to my friend, but I say that you can juggle with figures and prove or disprove almost anything?

Mr. WILSON of Pennsylvania. Will the gentleman—

Mr. CUSHMAN. I would like to talk a little now, myself. I will be glad to yield to the gentleman a little later.

Any man who walks abroad over this Nation to-day will find employment far more abundant than it was when your party, the Democratic party, was in power. You appeal to the American laborer to-day with an imaginative condition. You display before his eyes some kind of a Utopian condition under which you say that wages shall be high and all other things shall be

cheap. That condition never has existed in six thousand years of the world's recorded history and it never will exist.

The conditions that the Republican party have created in this Nation in the past twelve years are not only recorded on the pages of industrial history, but, what is more, they are enshrined in the grateful hearts of 90,000,000 American people. [Applause on the Republican side.]

#### PRICE OF REPAIRING THE COTTAGE.

Now, then, my friend from Missouri [Mr. CLARK] has spoken very feelingly about his desire to have the price of commodities and living expenses and lumber come down, but the gentleman never raised his voice to congratulate the laborers of this country on the fact that wages were high. If anybody ever hears of a leading Democrat in this Nation congratulating somebody because wages are high, industry universal, and employment plenty, please wire me at once at my expense. [Laughter and applause on the Republican side.]

Now, then, it is not very often that I have occasion to hire a man to do some work, but once in a while I hire a man to do something that I am too lazy to do or can not do myself. Therefore if I refer to a few prices that have come within my personal observation I trust you will not consider it egotistic on my part. I only refer to them because they have come within my personal observation.

In the city of Tacoma, my home, I purchased a little cottage, which I have decorated with a mortgage—and other permanent improvements. [Laughter.] I have had occasion once or twice to have a few repairs and changes made on that dwelling. Let me quote you a few prices.

That cottage is not much bigger than a railroad box car, but a short time ago when I wanted the outside of it painted it cost me \$98, all right. But I am not complaining about that, because I like to see people get paid for what they do.

I concluded that I wanted the two front rooms repapered. What we call the "large" room in our house is about 9 by 11 feet. [Laughter.] It cost me \$54 to get those two front rooms repapered just the same. Am I complaining about it? Not at all. I like to see people get paid for what they do.

A little later I concluded that I wanted our dining room retinted. The dining room in my palatial mansion is about 8 by 9 feet. [Laughter.] But it cost me \$40.20 to get it retinted. But I am not complaining. I like to see people get paid for what they do. [Laughter.]

One day there was a piece of plaster came loose on the ceiling of my dining room, and, as God is my witness, that piece of plaster was not much bigger than the rim of my old slouch hat, but it cost me \$5.50 to get new plaster put over that hole. I could have taken five \$1 bills and almost covered the hole. [Laughter.] But I am not complaining. I am one of those individuals who like to see people get paid for what they do. [Laughter.]

I wanted an extra doorway cut through the wall from the kitchen into the pantry. It was to be an open doorway—just a hole. It cost me \$7.95 to have that hole made. But it was a good-looking hole. [Laughter.] I never saw a better looking hole. [Laughter.] And I do not regret the money. And if I want another carpenter in the future, I will send for the same man. I am not complaining, because I am one of those peculiar individuals who like to see people get well paid for what they do. [Laughter.]

I wanted a hot-water boiler moved from one room to another, and I subsidized a plumber friend of mine to the tune of \$16 for moving it. But I am not complaining, because one of my personal peculiarities is that I like to see people get paid for what they do.

I had a wire fence built along one side of my lot; perhaps the fence was 90 or 100 feet in length. I paid a workman \$53 for putting up that fence. [Laughter.] Well, I am not complaining. It is a good-looking fence, and I look at it every day. [Laughter.] I was glad to have it built, and glad to see the man who built it get paid for his work.

You can't hire a drayman with one horse and a dinky wagon in my town short of about \$6 per day, or \$4 for a half a day. I have paid that much, and I know. I do not regret the money, because I like to see people get paid for what they do.

Last summer I walked out into the alley to the rear of my house one morning where I had had a wagonload of wood unloaded. A man came along and told me that he had just got into town and asked me if he could split some of that wood and pile it in the woodshed. It was nearly 10 o'clock in the morning. I told him to go to work. He worked until noon, a trifle more than two hours, and I paid him for that \$2 and

gave him his dinner and offered him a pair of my old shoes. He took the \$2, he ate the dinner, but he declined the shoes—because he said they were not as good as the pair he already had. [Laughter.] I never regretted the \$2; I am glad I gave him his dinner, but I confess it did grind my pride a little to have that fellow refuse the shoes of a genuine "statesman" because they were not as good as he was in the habit of wearing. [Great applause and laughter.]

Mr. WILSON of Pennsylvania rose.

Mr. CUSHMAN. Well, I am getting along fairly well, and my time is limited, but what does the gentleman want?

Mr. WILSON of Pennsylvania. How does the gentleman account for the discrepancy between the \$6 and \$8 per day he is required to pay out there for labor and the advertisements he has just read for labor for \$2 and \$2.25 a day?

Mr. CUSHMAN. There is no discrepancy between the two. In one case it was skilled labor and the other it was common labor. And in that connection I might remark at the very time I read those figures on the streets of the city of Spokane the Democratic party in that part of the State was trying to make a campaign by claiming that a panic was on, and nobody could get work.

Mr. WILSON of Pennsylvania. Is the gentleman aware of the fact—

Mr. CUSHMAN. Oh, let me talk a little of the time.

Mr. WILSON of Pennsylvania. Is the gentleman aware of the fact that the United States Steel Corporation in its report for the year ending December 31, 1907, shows that it has a total number of employees of 210,000, and that for the year ending December 31, 1908, it shows it had but 165,000 employees?

Mr. CUSHMAN. Well, what would all that prove if it is true?

Mr. WILSON of Pennsylvania. Does not that show there are a large number of men out of employment?

Mr. CUSHMAN. Not necessarily. I have never known a time yet in this Nation under the best of circumstances when wages were high and employment abundant, that some men were not claiming that times were hard and wages were low. If you find something in the report of the Steel Corporation that you think helps your side of the case, you are willing to give it full credit. And yet if on to-morrow some Republican should read some figures from that same report the Democracy would hoot and say it wasn't worthy of belief.

I refer to certain things that have come directly under my observation. You say that wages are low and that employment is scarce. These conditions now are far better than when your party was in power. I recall now one little incident that to my mind illustrates the difference between the conditions that exist now and the conditions that existed in the days of 1894-95. Within three blocks of my cottage there is a little meat market. My friend Geiger, who keeps that meat market, charges good high prices for his meat, too, but I never object, because I like to see people get good prices for what they sell. [Laughter.] I occasionally drop in there to buy a bit of meat. I dropped in there one Saturday night, and a laboring man came in and said to the butcher, "Cut me off a couple of slices of that porterhouse, medium thick, and take the change out of that," and he threw down a \$10 gold piece. I saw that same man go into a meat market in that same town in 1895 and ask for a dime's worth of liver on credit. [Applause and laughter.] You can talk all you want to about the conditions that have existed under your party and mine. I tell you that the laboring man of this Nation has traveled a mighty distance since the Democratic party was last in power. He has traveled all the way from a dime's worth of liver on credit to a dollar's worth of porterhouse for cash—and that represents a mighty and an unmeasured distance on the chart of domestic economy and national prosperity! [Loud applause on the Republican side.]

Mr. WILSON of Pennsylvania. Mr. Chairman, is it not a fact—

Mr. CUSHMAN. Mr. Chairman, I regret that I must decline to yield, because—

Mr. WILSON of Pennsylvania. Is it not a fact that there are thousands of men trying to get meat on credit to-day?

Mr. CUSHMAN. Mr. Chairman, I do not want to be discourteous to my friend, but I must insist upon using a little of this time myself. Many gentlemen have spoken recently on his side of the Chamber and said many things I did not agree with, but I did not continually interrupt them.

Mr. WILSON of Pennsylvania. I beg the gentleman's pardon. I thought he had yielded.

Mr. CUSHMAN. I did not yield.

Mr. WILSON of Pennsylvania. I certainly beg the gentleman's pardon.



Mr. CUSHMAN. I do not mean to be discourteous, but my time is limited.

THE AMERICAN FARMER AND THE TARIFF.

Mr. Chairman, a good many things have been said about the farmer's prosperity in this Nation, and it has many times been stated that a protective tariff does not help the farmer. That I deny, and if my observation and my experience goes for anything I can prove it.

In the first place what does the farmer do? He raises crops. What for? To sell. To sell to whom? Not to sell to other farmers, because they are engaged in the same kind of industry; they are his competitors and not his customers. The farmer raises products to sell to other people engaged in different kinds of industries. His customers are the clerks in the stores; the laborers on the railroads; the laborers in the factories; the workmen in the mine, and the men who work in the sawmills, and all other men in the Nation who do not raise products.

Therefore the price of the farmer's products are high when all these men are at work and are on a pay roll, because they are then buying the farmer's products. A laborer may be just as hungry when he is "broke" as when he has money, but his custom lacks profit. The laborer must have money or he can not buy. He must have work or he hasn't got money.

Now, then, it has been by reason of the fact that our factories have been running, that the mills have been running, that our mines have been running, that all our men are employed, that wages are high, that employment is plenty, that industry is universal—these are the things that have made the prices of the farmer's products high.

That is what makes eggs in my town worth 50 cents a dozen. That is what makes butter worth 45 cents a pound. That is what makes a spring chicken no bigger than your fist and mostly neck and pin feathers worth 65 cents. [Laughter.] That is what makes strawberries worth 20 cents a box—and the bottom of the box is a good deal nearer to the top than it is close to the bottom. [Laughter.] That is what makes Uncle Tom's old brood mare, 16 years old and blind as a bat, worth \$100 in gold. I have been buying some of the farmer's products in the past few years and I know the prices that I have quoted, because I have paid them; but I am not complaining, because I like to see people get well paid for what they produce. [Laughter.]

I also had some knowledge and some experience with the price of the farmer's products in the State of Washington in 1894 and 1895. You could buy horses in that State then, good sound horses, that weighed 900 pounds for \$15 per head. You can absolutely sell a fat hog to-day in my State for more than a small horse would bring in those days. Eggs were then worth about 8 cents a dozen. I saw strawberries offered for sale in those days on the streets of Tacoma 9 boxes for 25 cents, but mighty few people were eating strawberries in those days at any price.

Oh, there does not anybody need to sit up nights worrying about the condition of the American farmer these days. He is laying away the gold coin with every revolution of the sun, and at the same time the price of his farm land is soaring into the sky until an acre of good farm land is worth more than a city lot. [Applause.]

My friend from Missouri [Mr. CLARK] has been talking on this floor about cheap things. He wants the price of lumber to be cheap so the laboring man and the farmer can build homes. Well, we had cheap lumber in this Nation in the years of 1894 and 1895—the cheapest lumber that was ever known in recent years. Did people build homes in those days? Oh, no; they not only did not build new homes, but most of them lost the homes that they had already built. [Laughter and applause on the Republican side.]

Do you think that it is an ideal condition when things are cheap?

Horses were never so cheap in the world before as they were then—but everybody went on foot. [Laughter.]

Food was never so cheap as it was then—but everybody was hungry. Clothes were never so cheap—but the whole human landscape was patched and ragged. And the free-trade party was never so cheap as it was then—because nobody wanted it at any price. [Laughter and applause on the Republican side.]

I tell you that high wages is a sign of good times. It is the wage scale, and not the price list that is the barometer of a nation's prosperity. [Applause on the Republican side.]

THE AMERICAN TARIFF ON COAL.

I want to talk for a few moments on the provisions of this bill that relate to coal. As I said in the beginning, if I raise my voice against some of the provisions of this bill, I do so because I feel it is my duty to my constituents and to the mighty coal industry in my State of Washington.

Anthracite coal is now and has been on the free list for many years—no tariff at all on anthracite.

The present tariff under the existing Dingley tariff law on bituminous coal is 67 cents per ton.

As far as the coal traffic is concerned, we can practically eliminate all the rest of the world from our consideration except the United States and Canada, because the largest amount of coal that comes into the United States comes from Canada, and the largest amount of coal that goes out of the United States goes to Canada.

Therefore, it becomes important, first, to understand what the law of both countries is regarding coal, and, second, to understand what the conditions are in each country.

The American tariff on bituminous coal is 67 cents per ton. Neither Canada nor any other nation can ship a ton of coal into the United States without paying a tariff of 67 cents.

The Canadian government maintains a tariff on all coal imported into Canada, but it has two different rates. The Canadian government levies a tariff of 53 cents a ton on all coal coming into Canada, except in the case of coal coming into Canada from some other British possession, and then the tariff is 35 cents a ton.

So much for the laws of the two countries as they now exist.

Now, the American Congress can not change the Canadian law. That is beyond our reach.

But the Payne tariff bill, which we are now considering, proposes one very important change in the coal tariff. Section 524 of this bill relates to bituminous coal, and it leaves the tariff at 67 cents per ton, with the following proviso:

*Provided, That any of the foregoing (coal, etc.), when imported from any country, dependency, province, or colony which imposes no tax or duty on like articles imported from the United States, shall be imported free of duty, etc.*

There are two very important things to bear in mind regarding this provision: First, whether coal comes into the United States free or with a tariff of 67 cents a ton depends on circumstances. Second, the "circumstances" which settle this matter are (under this bill) left in Canadian hands and not in American hands. The Canadians, by repealing or refusing to repeal their 53 cents a ton coal tariff, can make this bill work either way they want it to.

I do not complain of a provision of that character where the advantages derived will correspond in degree with the advantages conferred, but it is a dangerous provision to insert in a bill when the other fellow has the chief advantage.

*Coal (bituminous) and coke imported into United States from Canada and exported from United States into Canada.*

AMOUNT.

	1904.	1905.	1906.	1907.	1908.
	Tons.	Tons.	Tons.	Tons.	Tons.
Imported.....	1,317,347	1,229,348	1,479,143	1,297,376	1,255,036
Exported.....	4,432,579	4,676,674	4,909,940	6,152,833	6,851,170

Total exports bituminous coal to Canada in five years.....	27,023,196
Total imports bituminous coal from Canada, five years.....	6,578,250
Excess of exports in five years.....	20,444,946

VALUE.

	1904.	1905.	1906.	1907.	1908.
	\$	\$	\$	\$	\$
Imported.....	3,342,972	3,006,764	3,552,685	3,089,254	3,145,507
Exported.....	11,524,514	11,667,531	11,982,510	14,981,221	16,730,450

Values, exports bituminous coal to Canada, five years.....	\$66,886,226
Values, imports bituminous coal from Canada, five years.....	16,137,182

Excess value of exports over imports, five years.... 50,749,044

The only other portion of the world from which the United States imports any amount of coal worth mentioning is from

British Oceania, which consists of Australia, Tasmania, and New Zealand.

The figures during these last five years show that we import from British Oceania about one-fifth to one-tenth as much coal as we do from Canada. We practically export no coal from the United States to British Oceania.

The chief reason why we import any coal from Australia and these other islands comprising the group of British Oceania is, that vessels which are bound from Australia to the United States for cargoes of any description can carry coal as ballast for the ship, instead of any other substance of worthless dead weight.

Now, where are the main coal deposits situated, both in Canada and in the United States?

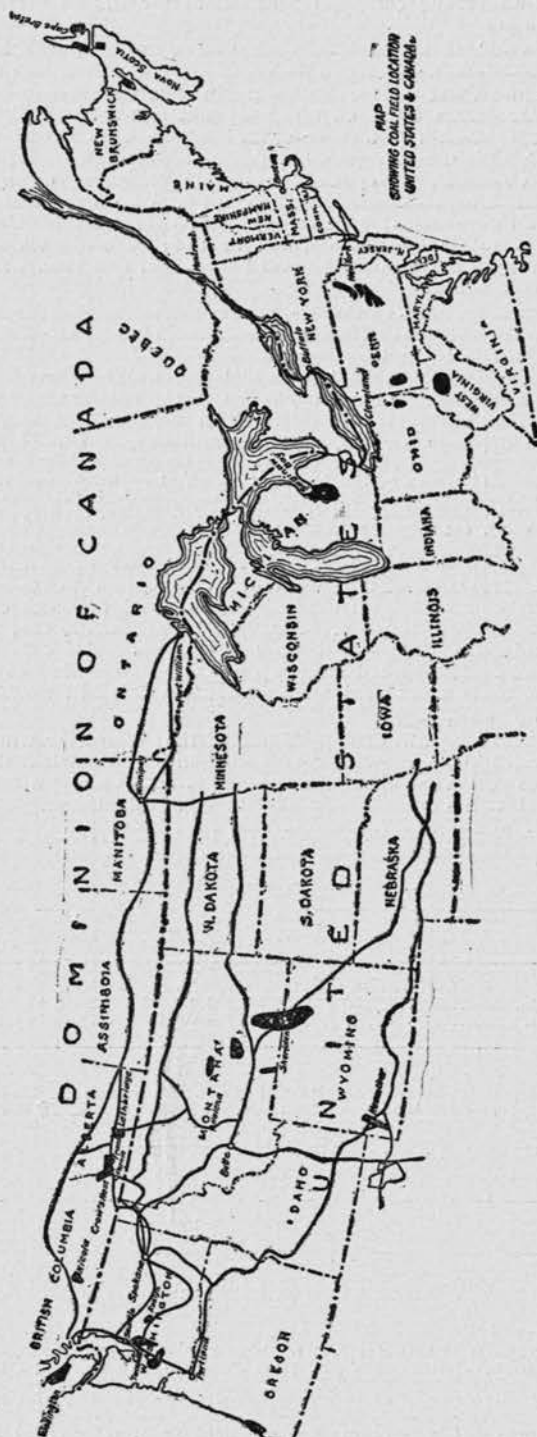


Table of distances.

From—	To—	Miles.
Wellington, British Columbia.....	Seattle.....	175
Fernie, British Columbia.....	Spokane.....	255
Frank, Alberta.....	do.....	306
Lethbridge, Alberta.....	do.....	396
Kemmerer, Wyo.....	do.....	925
Roslyn, Wash.....	do.....	302
Common points, western Washington.....	do.....	396
Kemmerer, Wyo.....	Portland.....	501
Common points, Washington.....	do.....	196
Wellington, British Columbia.....	do.....	450
Kemmerer, Wyo.....	Helena.....	510
Sheridan, Wyo.....	do.....	382
Lethbridge, Alberta.....	do.....	301
Frank, Alberta.....	do.....	391
Pictou, Nova Scotia.....	Montreal.....	816
North Sydney.....	do.....	974
Pittsburg, Pa.....	do.....	721
Pittsburg, Ohio.....	Cleveland.....	195
(Cleveland water route on Great Lakes to all Canadian points; 65 cents freight rate to Port William.)		
Port William.....	Winnipeg.....	417
Frank.....	do.....	841

I desire to call the attention of the committee to this map of the United States and Canada. I regret that it is not a better map, but I prepared it with some haste.

The black spots on this map indicate the chief coal deposits, both in the United States and in Canada. The chief coal deposits in Canada are in Nova Scotia—away over here on the northeast coast. About three-fifths of all the coal produced in Canada is produced in the Nova Scotia mines. The only other deposits of coal in Canada of any magnitude or importance (which are now developed) are clear across the continent in British Columbia, quite near to the Pacific Ocean, and also—as you will notice—quite near to the northern border line of the United States. These mines produce nearly all the remaining two-fifths of Canada's coal.

When you look at that map you will notice that the great central portion of Canada between Winnipeg and Montreal is far removed from the Canadian coal deposits on both the Atlantic and the Pacific coasts. Coal is a very heavy commodity and transportation charges are necessarily high, and, therefore, freight rates always control in the coal trade.

Look again at this map, and look now on the American side of the line. Notice the black spots in Michigan, in Ohio, in Pennsylvania, and in West Virginia, which indicate the principal coal deposits in the eastern portion of the United States.

You can see at a glance that those black spots on the American side are a great deal nearer to the great central portion of Canada than are the black spots in Nova Scotia. You will at once say to yourself, "Why, American coal is a great deal nearer to central Canada than Nova Scotia coal." You are right. The deposits of American coal are a great deal nearer to the coal-consuming population of Canada than her own Canadian coal is.

Briefly, those are the facts. Now, what are the results? The result is that to-day, in spite of the Canadian tariff of 53 cents per ton, American coal dominates the coal market of all central Canada. Our coal-mine owners in West Virginia, in Ohio, in Pennsylvania, and Michigan practically control the coal market now in central Canada. They do that because God Almighty placed American coal nearer to central Canada than Nova Scotia coal. Therefore we don't need to do anything to help the American coal miner on the Atlantic coast and in the Middle States get into the Canadian market. He is already there with "both feet." And the only place where the Nova Scotia coal competes with our coal is along the New England coast and down as far as Boston.

If this bill is passed with the coal provision in it as it is now written, it will accomplish one thing: It will enable the American coal-mine owner on the Atlantic coast and in the Middle States not only to continue to dominate the Canadian coal market, but it will give him 53 cents a ton more for his coal in Canada (providing Canada accepts the proviso and removes her 53-cent tariff in order to have our 67-cent tariff removed).

Some one will say, "Well, I don't see that American interests are injured by this proposal." If the United States extended no farther west than the Mississippi River, I am free to confess that, as far as I can see, this bill would be in the interest of the American coal miner and coal-mine owner.

But I think I can prove to you that the effect of this provision will be to sacrifice absolutely the American coal interests on the Pacific coast in order to give an additional advantage



to the American coal interests on the Atlantic coast—which they don't need or require. I think I can prove that statement.

Look at the map again. Away out here toward the Pacific coast the coal mines on the American side and the Canadian side are both near the international boundary. As you look at the map you will say to yourself, "Well, the conditions on the Pacific coast seem nearly balanced." It does not appear that way to the eye on the map.

It will at once become apparent to you that any slight advantage possessed either by the Canadian or the American will give the lucky possessor of that advantage complete control of the coal market of the Pacific coast, on both sides of the international line.

The facts are that the Canadian mine owners on the Pacific side possess not only one advantage over their American cousins, but they possess all the advantages. What advantages do they possess? I will enumerate some of them:

First. Their coal lands are cheaper.

Second. Their taxes are not so high.

Third. The quality of their coal is better.

Fourth. The formation of their mines require less work to mine a ton of coal.

Fifth. The wages for labor are less in British Columbia than in the United States.

Sixth. The American coastwise shipping laws afford an additional advantage to the Canadian in water shipping rates.

Seventh. In some instances the Canadian has a cheaper rail rate to American points than the American has.

Their deposits of coal in Canada on the Pacific slope are near our border line. They have a better quality of coal than we have. They have a better formation; it takes less work under ground to get out a ton of coal, and it takes less work on top of the ground to separate the shale from the coal, because they have more clear coal and less refuse. They also enjoy another advantage over us because the American coastwise shipping laws apply to us and do not apply to the Canadian. Every ton of coal shipped from the State of Washington to the State of California must go in an American vessel, but every ton of coal from Canada can go to California in any kind of a vessel. It is a notorious fact that all rates on American vessels are necessarily higher.

Why? First, the cost of building the boat is higher, and, second, the cost of the labor employed in sailing the ship is higher.

All of these advantages taken together have given the Canadian such a tremendous advantage that the American coal-mine owners in my country are to-day struggling for their very existence, even with the aid of the 67 cents per ton tariff on every ton of Canadian coal that comes over the border.

If you take off that 67 cents per ton tariff, or place the Canadian in a position where by his action he can force it off, and that action spells "RUIN" in big letters for the American coal-mining business in Washington, Oregon, Montana, and Wyoming.

A large number of Asiatics at cheap wages are employed in the Canadian coal mines. No Asiatic labor is employed in the coal mines of the State of Washington.

I quote the following significant sentences from Mr. F. A. Hill, an American, a coal-mine operator, who for the past twenty years has been familiar with all coal-mining conditions in the United States and in Canada—especially on the Pacific coast. Mr. Hill says:

Removing the duty on coal could not possibly benefit the New England States to offset the loss to the Northwestern States. Should the New England States receive six times as much foreign coal with no duty, and they receive the benefit, it would only benefit them \$2,193,521 annually, while the loss in wages alone to the State of Washington would be \$2,500,000 annually, with a loss to the operators in invested capital of fully \$6,000,000.

No reciprocal advantage can be gained with Canada. The mineral industry shows from three to five times as much export of American coal into Canada as the imports are from Canada. What advantage does Pittsburg or the Middle West expect to gain by reciprocal arrangement?

The Canadian coal fields lie in the extreme east of Canada, principally in Nova Scotia; and in the extreme west on the western side of Alberta and in British Columbia. Pittsburg and the Middle West operators have every advantage over these coal fields from Montreal to Winnipeg. Freight tariff and distance prohibit the Canadian mines from shipping into that section of Canada, etc.

Sir, knowing the conditions as I do, when I read this bill suspicion deepens into certainty that the provisions of this bill will trade off the interest of the western coal miner and coal-mine operator in order to give the eastern American mine operators a further advantage, which they do not need.

In what I have said thus far in these remarks upon coal I have spoken exclusively of the coal-mine operator and the coal miner. Some one might say that I had never thought of the consumers of coal in the United States. Indeed I have.

Forty years of life as an American citizen and ten years' experience as an American legislator have taught me one lesson that I can not forget and that I do not want to forget. And that is that the interests of the consumer and the producer in America are mutual and not hostile.

There are 6,000 coal miners in my State of Washington. They make their daily bread by digging coal. Ah, yes, more than that, they have their families to support. On an average there are about four in the family. That makes 24,000 mouths to be fed in the State of Washington alone from this coal-mining industry.

If you make 24,000 paupers in one State, don't you think that that condition will be reflected in every other branch of human industry in my State? Indeed it will.

When you appeal to the merchant and the business man and tell him you are going to give him cheaper coal, don't forget at the same time to tell him that in the decrease of his business he will lose ten times as much every year as he makes on the decrease in the price of his coal.

That is universally the pathetic effect that all this miserable free-trade theory produces whenever it is put to the test.

A burnt child dreads the fire and a wise man learns by experience. My memory is still intact.

On August 27, 1894, the Democratic Wilson free-trade bill went into effect. It remained on the statute book till it was repealed by the Dingley tariff law of July 24, 1897.

The Wilson bill reduced the American tariff on bituminous coal to 40 cents per ton. I lived in the State of Washington in those days and I know what the effect of that Wilson bill was upon our coal-mining industry.

Many of our coal mines closed. The wages of all our coal miners dropped. Why? Because inside of ten days after that bill went into effect British Columbia coal was selling on the streets of Seattle and Tacoma for less than coal mined in Washington State.

Well, you may say, that was a good thing. But it did not work out that way. First, the Canadians pressed down the coal market to the point where the Washington State mines were obliged to close, and as soon as they closed the Canadian raised the price of coal to the American consumer. That game of hide and seek soon wore out the American coal-mine operator, because of the total advantage in the hands of the Canadian.

In order to mine coal successfully a mine operator must have a known market to supply and a reasonably steady demand for his product. He can't operate a coal mine successfully on the plan of "now you see it, and now you don't see it."

He can't open his mine and run two days and then shut down for a week, and then open up and run two days more, and then close for two weeks.

Under the Wilson bill our mine operators struggled along as best they could until they lost heart playing a game where the other fellow held all the trumps. Then they quit. And immediately the Canadian raised the price of coal to the consumer. The result was our miners starved, our good money went to Canada, and the dear consumer still paid the same price for his coal.

#### PAYNE ON FREE COAL—EMERGENCY.

One of the triumphs of this session of Congress, I think, came to the gentleman from New York [Mr. PAYNE] when he stood upon the floor here for two days and answered all comers from both sides of this Chamber who made attacks upon his bill.

I think he made a wonderful defense of this bill, and I believe that his standing in this House rose immeasurably as the result of that speech. I know he rose in my estimation very greatly. [Applause on the Republican side.]

Therefore, do not deem it discourteous in me if I say that in reference to one or two of the schedules in this bill that the gentleman's logic was a little faulty.

When somebody attacked a schedule relating to a product in the State of New York as being too high, the gentleman from New York [Mr. PAYNE] said, with great warmth and vehemence: "We had to raise that to protect the industry; we had to raise it in order to protect American wages; we had to raise it in order that these products might be produced in the United States." That sounded good to me, and I agreed absolutely with the gentleman.

A little later on I raised the question of the necessity of protecting the coal miners of the West and the sawmill men of the Northwest, and he then said: "We can't do that, because we must consider the 90,000,000 consumers."

Mr. Chairman, those two answers taken separately are absolutely unassailable—but taken together they are absolutely irreconcilable! [Laughter.] I can take two bottles and fill them with different logic of that kind, and by refreshing myself

first from one bottle and then from the other, I can defend any tariff bill that was ever framed by anybody.

Free coal is not a Republican doctrine to-day, and it never has been.

I have detailed how when the Democratic party reduced the tariff on coal to 40 cents a ton that it ruined our coal-mining industry in the State of Washington.

Now, here comes the Payne bill (which is supposed to be a Republican measure) and it don't give our coal-mining industry as much consideration as the Democratic bill did.

And yet my Republican brethren seem to be surprised that I am not throwing up my hat for that portion of this bill.

When the gentleman from New York [Mr. PAYNE] who has charge of this bill was on the floor the other day when I objected to the free-coal provision in this bill he said that coal was placed on the free list for a year in 1903, and intimated that I had never found it out.

Indeed I remember it distinctly. I not only remember that in January, 1903, Congress passed a law placing coal on the free list for a year, but my memory of that transaction is so clear that I remember what the gentleman from New York [Mr. PAYNE] said about that emergency bill at the time we passed it.

Let me read you what he said—

Mr. FERRIS. Will the gentleman yield for a question?

Mr. CUSHMAN. I was just going to read a brief extract, and after doing that I will gladly yield to the gentleman.

I read from the CONGRESSIONAL RECORD, Fifty-seventh Congress, second session, page 788, under the date of January 14, 1903.

The bill under discussion was as follows:

An act to provide rebate of duties on coal, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Secretary of the Treasury be, and he is hereby, authorized and required to make full rebate of duties imposed by law on all coal of every form and description imported into the United States from foreign countries for the period of one year from and after the passage of this Act.

SEC. 2. That the provisions of paragraph four hundred and fifteen of the tariff act of July twenty-fourth, eighteen hundred and ninety-seven, shall not hereafter be construed to authorize the imposition of any duty upon anthracite coal.

The bill was finally passed, it was approved by the President January 15, 1903, and became a law. And it remained on the statute book in force for a year.

Mr. PAYNE rose on the floor of the House as a Republican to support that bill. He said:

As has been said, in the case of the Chicago fire, a rebate of all duties was granted upon everything used in building there except lumber; and in the case of the Eastport (Me.) fire a rebate of duties was granted upon lumber alone. Those cases were emergencies.

The gentleman from Tennessee [Mr. Richardson] says that we (the Republicans) are adopting Democratic doctrine. Why, no; to meet an emergency is not Democratic doctrine.

You will note that the gentleman from New York was defending that bill because it was strictly an emergency measure. Continuing he said:

I simply want to know whether this bill is sufficient to meet the emergency in this case.

But we bring it forward simply as an emergency measure.

And Mr. PAYNE then said—and please mark this well:

We do not bring it forward as expressing our ideas upon the question whether there shall be a duty on coal. We do not bring it forward with that idea, Mr. Speaker, because of the conditions upon the Pacific coast, because of the conditions in the State of Wyoming, because of the conditions where our white labor in the mines is brought into direct competition with the Chinese labor in the British North American and western possessions.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. GARDNER of Michigan. Mr. Chairman, I ask unanimous consent that the gentleman from Washington be allowed time in which to conclude his remarks.

Mr. CUSHMAN. Mr. Chairman, I would not ask for that. I do not think it would be courteous in me to ask for unlimited time, when there are many other gentlemen who desire to speak, and who can only secure limited time. I do not wish to be unfair to any other Member.

The CHAIRMAN. The gentleman from Michigan [Mr. GARDNER] asks unanimous consent that the gentleman from Washington [Mr. CUSHMAN] have time in which to conclude his remarks. Is there objection? No objection is heard, and the gentleman from Washington is granted time in which to conclude his remarks. [Applause.]

Mr. CUSHMAN. I thank the gentleman from Michigan for his kindness and the House for its courtesy. I will endeavor not to impose upon your good nature by prolonging my speech to an unreasonable length.

Those remarks which I have just read were the remarks which my friend from New York [Mr. PAYNE] made on the floor of

this House when we had before us for consideration the bill which was to place coal on the free list for a year. He said he brought it forward at that time merely as an emergency measure. Well, there is no similar emergency in this country to-day. I have a high regard for that gentleman. But it does not lie in his mouth to question my Republicanism, because when I raise my voice to-day for a tariff on coal I am preaching the doctrine which he himself taught me. [Applause on the Republican side.]

I am bound to say that it fills me with some alarm when the gentleman from New York even looks toward the Democratic side of this Chamber. He first repudiates a Democratic doctrine entirely. Then he accepts it temporarily on the ground of emergency. And then he swallows it whole. Which reminds me of the lines of the poet:

Vice is a monster of so frightful mien,  
As to be hated, needs but to be seen;  
But seen too oft, familiar with her face,  
We first endure, then pity, then embrace.

#### THE TARIFF ON LUMBER.

Now, I want to speak for a few moments on the subject of lumber and in relation to the tariff. The present tariff on common lumber is \$2 per thousand feet. If this Payne bill in its present form shall become a law it will reduce the tariff on common lumber from \$2 to \$1 per thousand feet.

The other day when I objected to this reduction the gentleman from New York [Mr. PAYNE] said with evident feeling that I would better accept that reduction or lumber might go on the free list entirely.

That reminds me of an incident that happened in the good old State of Iowa a good many years ago:

On a very hot summer day there was a small boy hoeing potatoes in a farm lot near the roadside. A very fine, magnificent looking gentleman rode by in a covered buggy with soft cushions. He looked over the fence at the boy who was perspiring freely, and said: "Bub, what do you get for hoeing these potatoes?"

And the boy said, "I get nothin' if I do—and hell if I don't!" [Laughter.]

Well, Mr. Chairman, it seems to me that that incident presents a very graphic picture of the mental attitude of my friend from New York in reference to the lumber schedule.

He proposes to give me nothing if I submit—and something worse if I don't.

I asserted on this floor that the witnesses who came before the Ways and Means Committee and asked for free lumber did so because they expected to get timber in Canada and ship it into the American market for their profit. Therefore, I asserted that they were selfish, and had an interest in the matter.

That argument of mine was answered very flippantly by the counter statement that the American lumbermen who were resisting the removal of the reduction of the tariff on lumber were likewise interested. The man who attempts to make that comparison of "interest" between these two classes of individuals either isn't wise or he isn't candid.

My friends, if I wake up in the middle of the night and find a burglar trying to break into my house, I know that he is interested. [Laughter.] I don't deny that. He is intent on stealing my property, perhaps infinitely worse, destroying my household. Of course he is interested. He has the interest of a rapist or a robber.

But when I meet that invader at the threshold willing to lay down my life in the defense of my home, I admit that I am interested. Of course I am interested. But do you pretend to compare the interest which a man has in defending his own rights and his own home to the interests of a bandit or a brigand who is intent on despoiling another man's home? [Applause.]

#### CONGRESSMAN KINKAID ON FREE LUMBER.

Mr. Chairman, the Sixth Congressional District of Nebraska is represented ably on this floor by a gentleman from that district [Mr. KINKAID].

I have known him for many years. Something like twenty years ago he and I were in a sense pioneers in that region. Therefore, I have the kindest personal feelings for him.

Some of his political ideas, however, do not impress me in a similar way. He comes from a great prairie State where farming is supreme, but where they have no forests of any great consequence.

My friend is, or at least claims to be, a Republican, who believes in protecting American labor and American industry.

On the 22d day of February, 1909, that distinguished gentleman put into the CONGRESSIONAL RECORD a very adroit and able speech, in which he freely admitted and feelingly portrayed the splendid benefits which had come to this Nation from the protective tariff policy. He vowed that he was in favor of continu-



ing that protection on the products of the State of Nebraska—but he was in favor of placing lumber on the free list.

The inconsistency and transparent selfishness of a declaration of that kind ought to defeat itself.

The gentleman attempted to justify his inconsistent position by saying that protection was well enough when afforded to an "infant industry," but that the lumber business had grown beyond the stage of infancy. I wonder if the gentleman is willing to apply his own logic to his own industries. I find on the protective tariff list to-day the following articles and items, all of which are produced in Nebraska, and which are on the high end of the tariff list—and none of these relate to an industry that is in its infancy:

[At this point Mr. CUSHMAN displayed on the floor of the House the following chart.]

CHART No. 1.—"Infant industries" of Nebraska.

	Rate of tariff, Payne bill.
Mules.....per head.....	\$30.00
Hogs.....do.....	\$1.50
Sheep.....do.....	\$1.50
Corn.....per bushel.....	\$0.15
Poultry.....per pound.....	\$0.03 to \$0.05
Bacon.....do.....	\$0.05
Cows.....per cent ad valorem.....	27½
Wheat.....per bushel.....	\$0.25
Hay.....per ton.....	\$4.00

This chart shows a few of the protected "infant industries" of Nebraska. [Laughter.]

Mules. Great Lord, nobody will contend that the raising of mules is an infant industry. [Great laughter.]

People have been engaged in raising mules since the days when Balaam wandered with the Children of Israel and saddled his ass on the plains of Moab on this side of the Jordan. [Laughter.]

Hogs, protected by a tariff of \$1.50 per head. No well-informed man will claim that the raising of hogs is an "infant industry." People have been engaged in that industry ever since the Biblical swine ran down the steep place into the sea.

Sheep, protected by a tariff of \$1.50 per head. The raising of sheep is not an "infant industry." Men have been engaged in raising sheep since and before the days when Lot tended the flocks of Abraham on the plains of Canaan.

Corn, protected by a tariff of 15 cents per bushel. The raising of corn is not an "infant industry." People have been raising corn ever since Joseph went down into Egypt and cornered the corn crop in the days when there was no Sherman antitrust law to stay his hand or interfere with his enterprise. [Laughter and applause.]

Mr. CLARK of Missouri. That was wheat. [Laughter.]

Mr. CUSHMAN. They called it corn.

Mr. CLARK of Missouri. They call it corn, but they do not know what they are talking about.

Mr. CUSHMAN. Well the Bible calls it corn. But if it was wheat instead of corn it is all the better for my argument on this bill, because wheat is protected by a higher tariff than corn.

Poultry. I also see there is a tariff on chickens, 3 to 5 cents per pound. Now, the raising of chickens is not an infant industry. People have been raising chickens on this planet since the cock crew after Peter had thrice denied his Master. [Laughter.]

Now, if the eminent gentleman from Nebraska [Mr. KINKAID] wants to apply the logic of infant industries to all the schedules of this bill, then he and his industries are off the map before we start, because his industries were old—indeed they were venerable—before the world ever heard the music of a band saw or listened to the hum of a shingle weaver.

Yes; I lived in Nebraska years ago. And there comes to me to-day, rising like a beautiful phantom from those broad and sunlit prairies, the most touching and beautiful memory of my life.

In all the years that have intervened, when I have heard that prosperity had reached the old home in Nebraska, it filled my heart with joy and satisfaction. I was glad to learn that the gentleman and his people were all prosperous.

I make no onslaught on his State or her industries, and it ill becomes him to make this onslaught upon lumber, the chief industry of my State.

At one place in his speech the gentleman from Nebraska turned loose this wonderful piece of original wisdom. He said:

"The manufacture of lumber, Mr. Chairman, has become overdeveloped because, as I contend, that when the consumption of any product is much greater than its production it is essentially overdeveloped as far as a resource to be continually drawn upon is concerned."

To my mind that is the most remarkable specimen of distorted logic that I ever read. The ordinary man would say "that when the consumption of a product was much greater than its production" that that particular industry was underdeveloped and not overdeveloped.

But, Mr. Chairman, a great many years ago I learned that when a person makes up his mind to do a thing that he wants to do, that he is not overparticular regarding the logic that he uses to justify his action.

I recall the old fable of the wolf who stood by the stream when the lamb came down to drink. The wolf said to the lamb: "You have muddled the water that I am drinking, and I am going to eat you up." The lamb replied: "That can not be, because I am standing in the stream below you and not above you." Whereupon the wolf replied: "Well, I am going to eat you up, anyway."

That fable did not state what kind of a wolf that was. But since I have discerned the great similarity of logic between the arguments of the gentleman from Nebraska and the logic of that animal, I am willing to bet that the animal mentioned in that story was a genuine Nebraska wolf.

The gentleman from Nebraska [Mr. KINKAID] in his speech made complaint because the price of lumber has advanced in the past few years.

If the price of lumber has advanced any faster than the price of farm products, then the fact has escaped my attention.

The people in his State are complaining because lumber produced in my State is high in price.

And the people of my State are complaining because the food products which we buy from his State are so high in price.

In my town, Tacoma, Wash., I pay 50 cents for a dozen eggs. I pay 45 cents a pound for butter.

I pay 65 cents for a spring chicken, and other prices in proportion.

My friend from Nebraska does not complain because the price of farm products have soared into the sky. On the contrary, he points to that as an evidence of our wonderful advance in prosperity.

But when the price of lumber goes up he thinks it is time that the Government should rise up and smite my industry.

In the very next paragraph of his speech the gentleman from Nebraska said that lumber had not risen in any case 100 per cent, then admitted that stumpage or standing timber had risen in many instances 1,000 and 2,000 per cent.

This standing timber is what the sawmill man has to buy to make the lumber out of.

And yet Mr. KINKAID complains that lumber had advanced from 64 to 77 per cent which was made from standing timber that cost the mill man an advance of 1,000 and 2,000 per cent.

These statements which the gentleman placed in the CONGRESSIONAL RECORD in his speech absolutely refute the very conclusions which he attempts to draw therefrom.

He tries to make out that the price at which the millmen sell lumber is the thing that controls the price of standing timber, whereas it is the price at which the standing timber is held which fixes the price of lumber.

Will the gentleman contend that it is the price of flour that controls the price of wheat? He knows that it is the price at which wheat is held that controls the price of flour.

I would not for the world say anything bitter about my good friend from Nebraska. But if ever there was a man who has a bad attack of twisted figures and inverted logic that man is the gentleman from the Sixth Congressional District of Nebraska.

The gentleman also complains bitterly of the rise in the price of lumber in the last seven years, but I looked in vain in his speech for any complaints about the rise in the price of farm lands in Nebraska during the same period.

He puts into his speech a table showing the rise in the price of several kinds of lumber.

His table covers a period from 1899 to 1906, which is a period of seven years. Let us examine this table of his, which is as follows:

	Advanced—		Rise.
	From—	To—	
Yellow pine.....	Per M. \$8.48	Per M. \$15.02	77
Cedar.....	10.91	18.12	66
Cypress.....	13.32	21.94	64
Redwood.....	10.12	16.64	64
Douglas fir.....	8.67	14.20	64
Poplar.....	14.03	24.21	73

You will note that none of these lumber prices of which he complains have advanced as much as 100 per cent in these seven years.

How much, sir, has farm land advanced in price in the State of Nebraska? Mr. KINKAID and I both lived in that region many years ago. I lived in Rock County, and that was part of the judicial district over which he then presided as judge.

When I left Nebraska I went to the Pacific coast. I guess it was six or seven years before I wandered back that way for a visit. And when I got back to Rock County, Nebr., on that visit all my old friends told me how much the value of lands had risen since I had gone away; land values in that region have advanced 100, 150, and in some cases 200 per cent.

I have never complained because the price of farm lands and farm products in the State of Nebraska have soared into the sky.

I do not begrudge the people of Nebraska one whit of the prosperity they have enjoyed. I hope it may continue and increase.

Why, then, does my Nebraska friend attack the chief industry of my State, the product of which has not advanced in price as rapidly as much of the farm lands in his own State?

Now, if the values of farm products and farm lands have increased about as much as lumber has increased in the same time, then it is manifest that the farmer has no just complaint.

I desire at this time to exhibit another chart, which is as follows:

Values of farm produce and stock at the farm.  
[Yearbook, Agricultural Department, 1907.]

	1900.	1902.	1904.	1906.	1907.	Increase since 1890.
Wheat.....	\$0.619	\$0.63	\$0.924	\$0.667	\$0.874	Per cent. 41.1
Corn.....	.357	.408	.441	.399	.516	44.5
Oats.....	.258	.307	.313	.317	.443	71.6
Hay.....	8.89	9.06	8.72	10.37	11.68	31.3
Horses.....	44.61	58.61	67.93	80.72	93.51	109.4
Mules.....	53.55	67.61	78.88	98.31	112.16	109.2
Hogs.....	5.00	7.03	6.15	6.18	7.62	52.4
Sheep.....	2.93	2.65	2.59	3.54	3.84	31
Potatoes.....	.431	.471	.453	.511	.717	43.1
Cotton.....	.0724	.0828	.0873	.1008	.104	43.6

Farm values: Real estate and buildings.

Groups of States.	Year 1900.	Year 1905.	Per cent increase in five years.
North Atlantic.....	\$283,424,743	\$321,659,562	Per cent. 13.4
South Atlantic.....	178,598,124	242,884,169	35.9
North Central.....	842,762,447	1,140,405,566	35.3
South Central.....	294,663,111	414,721,646	40.7
Western.....	113,647,881	158,198,563	39.2

You will see by examining that chart that in these seven years during which gentlemen complain that lumber has advanced that there has also been a wonderful increase in the price of the farmer's products. These have not been "seven lean years" for the American farmer.

There was (as shown by my former chart) no increase in the price of any kind of lumber in these seven years that reached as much as 100 per cent. Wheat increased 41 per cent; corn increased in price 44 per cent; oats increased in price 71.6 per cent; hay increased 31 per cent; and mules—I ask particular attention of the gentleman from Missouri [Mr. CLARK], for I am talking about his product now—mules have increased about 109 per cent in price.

Now, then, I ask any man to look these two charts in the face and then say whether the price of lumber has risen unfairly and out of proportion to other products in the United States—including the products of the farm. And I also call attention before I leave this chart to the fact that not only the price of farm products has risen, but the price of farm land has risen as well. This chart shows the advance in the price of farm products during seven years, but it only shows the advance in the price of farm land in five years. That is because the Agricultural Department only take the farm values once in five years—and the next date will therefore be in the year 1910.

Mr. RUCKER of Missouri. Will the gentleman yield for a question?

Mr. CUSHMAN. Yes.

Mr. RUCKER of Missouri. I understand the gentleman to say that there has been a great increase in the value of farm products. Let me ask the gentleman if it is not true, and if

statistics do not show the fact, that, for the ten-year period beginning 1895 and ending in 1904, as compared with the ten-year period just before that, the total loss to the farmers of this country in the six great cereal crops was great enough to pay half the national debt?

Mr. CUSHMAN. No, sir; I do not have any such understanding.

Mr. RUCKER of Missouri. I say the statistics of the Census Department will show it, and the gentleman can find them.

Mr. CUSHMAN. It is a matter of notorious and common knowledge among all men that, in recent years, the price of all farm products has advanced wonderfully. I said a while ago it is possible to juggle with figures and prove almost anything. During the very period the gentleman has mentioned we have had all the outward evidences of prosperity, and during that time the price of farm products has been so high—

Mr. RUCKER of Missouri. I repeat the statement, that during the ten-year period referred to the loss to the farmers by depreciation in the value of the six great cereal crops alone, as compared with the average price for the ten years next preceding, was half enough to pay the national debt.

Mr. TOWNSEND. What was the period?

Mr. RUCKER of Missouri. 1895 to 1904, compared with the ten-year period preceding.

Mr. CUSHMAN. I will frankly say that I never heard that statement before, and without intending any reflection upon the gentleman I do not believe it to be the fact. It is the common knowledge of all men that shortly after 1894—about 1897—all prices in this Nation began to rise, and rose very rapidly all the time up to 1904, and past that date.

Mr. HINSHAW. Will the gentleman permit an interruption?

Mr. CUSHMAN. Certainly.

Mr. HINSHAW. The gentleman says from 1894 to 1904. Now, in 1896 I sold, as well as the rest of the farmers in Nebraska, corn at 9 cents a bushel, but it has been four or five times that high since.

Mr. CUSHMAN. Yes; and we sold shingles in the State of Washington at from 80 to 90 cents a thousand, and they are about twice that high now.

Mr. CLARK of Missouri. A few years ago, under a Republican administration, we burned corn in Nebraska and Kansas for fuel.

Mr. HINSHAW. I have lived in Nebraska for the last twenty-two years—from 1887 up to the present time—and we have never burned corn at all, notwithstanding that it went as low as 9 cents a bushel. [Applause on Republican side.]

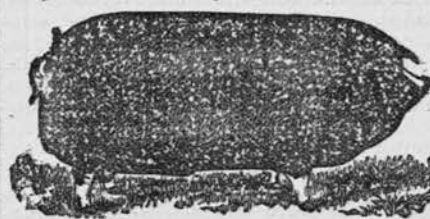
#### PRICE OF HOGS ADVANCES FASTER THAN PRICE OF LUMBER.

Mr. CUSHMAN. I would like to show you at this point the newspaper advertisement of an Iowa lumber yard that to my mind is the most convincing argument that I have seen on this question of the price of lumber.

Here is the newspaper advertisement:

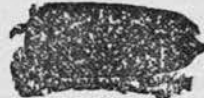
PRICE OF THE FARMER'S HOGS ADVANCES FASTER THAN PRICE OF LUMBER.  
[Columbus Safeguard, the leading newspaper of Louisa County, W. E. Whetstone, editor, Columbus Junction, Iowa.]

YES, LUMBER IS HIGH, BUT LET THE PORKER FIGURE A LITTLE FOR YOU.



When everything was cheap it took two big fellows like me, 325 pounds each, at 3 cents to buy 1,000 feet of lumber.

Now it only takes two little fellows like me, 225 pounds each, to buy the same 1,000 feet.



You can better afford to build a good house or barn now than then, and it will please  
REANEY & ELIASON  
to load the lumber.

Mr. Chairman, Columbus Junction, Iowa, is a little city located on the Iowa River in Louisa County. I have been familiar with that town and its people for the past thirty-five years—as the town is near my grandmother's farm.

The Columbus Junction Safeguard is a weekly newspaper that has been published in that town for thirty years or more. The town is located in the midst of a typical Iowa farming community. The farmers haul their produce into town and sell it for top-notch prices, and then sit around



and "cuss" and discuss because the price of lumber has gone up some.

Reaney & Eliason run a lumber yard in that town and sell lumber principally to the farmers.

The picture which I have displayed was the paid advertisement of these lumber-yard men in the newspaper. And I assert that this hog picture answers most convincingly the farmer's complaint that the price of lumber is advancing faster than the price of farm commodities, because the farmer can get more lumber now for a given amount of pork than he could when lumber was somewhat cheaper—and pork was a great deal cheaper.

The farmer, of course, wants the price of hogs to stay up where it is now, and at the same time he wants the price of lumber to come down. What a dream! What a reverie that is.

#### THE DOG WHO LOST THE BONE.

Mr. Chairman, a great many years ago when I was a child in school in my primer there was a picture of a dog crossing a stream with a bone in his mouth.

There was a story about that picture to the effect that the dog saw in the water the reflection of that bone and he grabbed for the bone he saw in the stream and he lost the bone which he had in his mouth.

Let me say this to the Representatives on this floor of the great prairie States, some of whom are being urged by their constituents to vote to take the tariff off lumber:

Your constituents are now possessing a great boon in the way of the mighty trade which they enjoy with the lumber-producing regions of the United States.

If they think they can reach out with one hand and take the duty off lumber, thus destroying the prosperity of the lumber industry, and at the same time not feel the disastrous effects of that action in the price of their own products, they will wake up to find what a mighty mistake they have made.

I do not make the comparison in any offensive sense, but like that historic dog they will wake up and find out that they grabbed at a *shadow* which they saw, and that they lost the *substance* which they had.

Great God, it seems to me that our Nation has existed long enough and that we have all lived long enough to have learned by experience that we all enjoy prosperity together, or we all suffer depression together.

Whenever any man or any Representative stretches out his hand to drag down his neighbor's industry he may be sure that sooner or later he will find his own industry engulfed in the common ruin which he himself has created.

Let us not start in then to crucify one another. Let us protect with an adequate measure of protection every legitimate industry of every section of our beloved country, and we will all march along the blessed highway of prosperity keeping step together.

Before leaving this chart I want to call attention to the fact that during this same time the price of farms and farm buildings has increased enormously.

Now, do you contend seriously on this floor that the price of other products ought to go up, the price of labor ought to go up, the price of everything the sawmill man has to buy should go up, and at the same time the price of the only product on earth that he has to sell ought to be coming down? There can not anybody on earth proclaim a policy of that kind and defend it with his brains. You may appeal, gentlemen, to the passions and prejudices of men, and that, to my mind, is one of the most unfortunate phases of the discussion about lumber. There never have been more honorable men engaged in any branch of American business, nor in any branch of manufacture, than the men who are engaged to-day in making lumber. They come to us in the State of Washington from all over the Union; they have in their veins your own blood; they came from Michigan, from Minnesota, and some from Nebraska, and some from the far away South, and when you rise on this floor and attempt to inflame the minds of the people against the men who are manufacturing lumber I say to you beware, you are sowing the wind and you will reap some day the whirlwind.

Some day a spasm of popular reform will attack your particular industry, and then the seeds of discord and malice which you have sown will spring up like the crop that grew from the dragon's teeth to annoy you. Men have endeavored to make the American people believe that the American lumberman is a kind of monster, like Attila, the Hun, who boasted that the grass never grew where the foot of his war horse had trod. It isn't true. [Applause.] The American lumberman is not

an agent of devastation. If any gentleman on this floor knows of any way to manufacture lumber without cutting down trees, I wish he would put that information on record. [Applause.] It is necessary to a certain extent to destroy a forest in order to create lumber. Let me call attention to another thing.

Whenever a forest reserve is created, that takes off the market the timber that is in that forest reserve. I know that it does not do that theoretically, but I know that it does so for all practical purposes, because I live in a State more than one-quarter of the total area of which is a forest reserve. Yet men have stood upon this floor on one day and thrown up their hats and applauded when a million acres were put into a forest reserve, and they were in favor of that, and the next day when the price of lumber went up they yelled against that. In other words, they yell to-day in favor of a certain policy and they will cry out to-morrow against the logical effects of the policy they yell for to-day. Could anything be more inconsistent?

Mr. CLARK of Missouri. Mr. Chairman, I would like to ask the gentleman one question, not for the sake of controversy, but for the sake of information, because I really don't know much about the thing.

Mr. CUSHMAN. Certainly.

Mr. CLARK of Missouri. Is not the whole theory of this conservation of forests built up on what is supposed to be the fact that they are going to cut and market the timber in a scientific manner, preserving the crop of young timber, whereas they claim on the other hand that the way that timber is cut and marketed now it is a great waste of the young trees? I am not defending anybody. I am asking for information solely.

Mr. CUSHMAN. That is unquestionably true that that is the theory, and I regret to say from my own observation it does not work out in a very practical way in my country. I concede that it was conceived with good ideas and intentions. Practically I fear it will not work out for this reason: Whenever you go into the forests in my State and cut down large quantities of trees, it will be found that they stand very close together. The foliage is heavy, it makes a heavy mass of shade, and that protects the hillside. Almost invariably, after logging operations have been carried on, a fire will break out in that district, and it will sweep through that region, destroying everything that is left, dead tops, young trees, and old trees. Men have claimed that the Forest Service prevented and stopped forest fires. I am frank to say I believe they do the best they can, but I have lived in that State for twenty years, and no man ever lived that *stopped* a forest fire in my State. You may prevent a man from building a camp fire and thereby prevent a subsequent fire that sweeps through the forest, but when that forest fire once starts, it rages until Almighty God puts it out with the rains or the combustible material gives out.

Mr. CLARK of Missouri. Is not part of their theory this: That by their system, whatever it is, they use up carefully these tops that produce the forest fires and thereby do the very thing that you say can be done to prevent them?

Mr. CUSHMAN. They try to, and I pay to them the meed of my praises by saying they are trying to accomplish what they can, but you can not go into an immense forest of heavy trees interspersed with small trees and fell those big trees without crushing and destroying many of the smaller ones. Further than that, experience shows that while many of these hillsides have been devastated in that way the remaining timber does not grow nearly as well as it did when it stood in the natural shaded condition.

Mr. CLARK of Missouri. I understand perfectly well, and know it to be true, what the gentleman says about one big tree breaking off the tops of half a dozen little ones. Is it not also true that these men that are running these forest reserves have prevented fires to a large extent?

Mr. CUSHMAN. They have prevented some fires by posting notices warning campers to be careful about building fires. They have posted these notices all through the woods, and they have had a good effect. To a certain extent, I think, they have lessened the building of fires, but they never stopped one after it got well under way.

Mr. CLARK of Missouri. One other question. Is it not true that this same system they are trying to introduce into the United States has been practiced in Germany and France and some of the old countries in Europe for more than a century, and that they have more timber now there than they had when they started, notwithstanding the fact that they have cut a supply of timber all of the time.

Mr. CUSHMAN. That is largely true. The difference, however, is this: There is no comparison between a country the size of this and a country the size of Germany or France. If we had a forest service in this Nation that could take care of all the forests, prevent all fires from starting, or stop them after they were started, we would have a pay roll in this Nation that would stagger human imagination.

Mr. CLARK of Missouri. Suppose we did have a big pay roll. If the paying out of that money on the big pay roll not only preserved the timber, but increased the timber supply, would not we get back the money that we pay out on the pay roll?

Mr. CUSHMAN. If that policy did increase the supply of timber, it would be of some benefit. But I am very skeptical about the forest policy of this Nation as it is now administered increasing the timber supply or bringing down the lumber price.

We are spending millions of dollars every year now on our national Forest Service—but the price of lumber is going up instead of down. Unless we go into the forest-raising business on a tremendous scale the population of this Nation is bound to increase faster than the timber supply.

The timber in the western part of the United States, with which I am familiar, grows somewhat slowly, of course. And yet I recall one instance that proves to my mind that the timber supply of this Nation is not in as grave danger as some men imagine it is.

When I was in the city of Aberdeen, in my home State of Washington, one afternoon last summer a friend of mine, Ed Benn, took me to witness a ball game. The ball ground was in a little valley surrounded by a sort of natural amphitheater of hills covered with green forest. As we sat on the "bleachers" my friend called my attention to one point of timber. He said, "Mr. CUSHMAN, the timber was cut off that point about forty-five years ago; I call your attention to it now." There stood a number of magnificent trees, some of them I guess as large as a foot and a half thick, that had grown up during the lifetime of one man.

Mr. HUMPHREY of Washington. Will my colleague yield, although I dislike to interrupt him—

Mr. CUSHMAN. Certainly.

Mr. HUMPHREY of Washington. In regard to the conservation of the forests, I wish to remind my colleague of this condition, in regard to the question propounded by the gentleman from Missouri, that the conditions are different in our State from anywhere else perhaps in the world in that respect. After you cut out a portion of the timber in Washington in many districts, perhaps it is not true in all, the timber grows so thick after a portion is gone the rest of it is very apt to be blown down by the wind, and that is especially true in regard to the hemlock which is mixed with cedar and fir. Everywhere you cut out the cedar and fir the hemlock will not then stand of itself, as it is a tall tree and slightly rooted and the wind blows it down, and the only conservation of the forest in my country is you cut it off clean as you go. If you do not the wind and fire destroy it. I know that it is not the condition in other portions of the country, but that is true in regard to Washington.

Mr. REEDER. I would like to say to the gentleman, if he will permit me, that I have been looking into the forest conservation matter somewhat and I find that Switzerland, for instance, is making a clear profit of \$5 an acre on their forests after seventy-five years of care of their forests. They are spending about \$4 an acre in caring for their forests. Of course such care would make an immense pay roll in the United States, but we could well afford such a pay roll in this country to take care of our forests if we could make the same net profit as the Swiss do, for with our great area of forests and consequent greater expense we would yet have enough clear profit from our forests alone to run this Government without even the sale of a postage stamp.

Mr. CUSHMAN. Well, the forests of this country, a certain portion of them, would reproduce themselves, I think, within fifty or sixty years.

Mr. LIVINGSTON. They do down South in twenty years.

Mr. REEDER. I understood the gentleman from Maine, now dead, one of our colleagues, stated that they secured timber in northern Maine, when it had been used over—of course they used it when it was rather small—in twenty years. I do not think there is any question but what we will in a short time learn how to use our forests as has been suggested, so that we will make an annual profit on the forests, and I am very much in favor of using all the lands for the forests that are not fit for anything else.

Mr. CUSHMAN. I think the gentleman is correct. I want to call attention—

Mr. STANLEY. Will my friend yield to me for a question? I very much dislike to interrupt him.

Mr. CUSHMAN. Certainly.

Mr. STANLEY. Can the gentleman from Washington give me the figures as to the comparative rate of destruction by fire between government reservations and the rest of the forests of the country—private lands?

Mr. CUSHMAN. No, I can not, and the figures even if obtainable would not shed any light on the controversy for this reason: When the Government created the reserves they went into the States having the largest remaining forests and took into their reserves those portions of the States where the heaviest timber remained. For instance, there is a map of my State of Washington [displaying map of State of Washington]. The green patches on the map show the forest reserve. There is over one-fourth of the entire area of my State in the forest reserve. These areas are largely areas that have never been cut over, where the forests are green in their virgin form, and there is less danger of a fire breaking out there than there is in the areas that have already been cut over, leaving the dead tops and other brush. It may be there have been less fires within the Government forest reserves than outside of them. If so, Almighty God is responsible for that condition, and not the United States Forest Service.

Mr. SHERLEY. Now, if the gentleman will permit, the figures produced by the Conservation Commission did show that there had been a great saving in fire losses.

Mr. CUSHMAN. Let me say this to my friend from Kentucky: I do not like to impugn anyone's veracity, and I believe that the agents of the conservation service were honest in their compilation of those figures. But I have had some experience with forest rangers, and the chief function that some of those gentlemen have is to send continual reports to Washington City proving the absolute necessity of their being continued on the pay roll. They put out a good many fires in their imagination that they never put out actually.

Mr. SHERLEY. Oh, well, we all can discount their statements to a certain extent; but it is hardly an answer to a statement of figures to say that a man does not tell the truth, unless the gentleman himself can present opposite figures.

Mr. CUSHMAN. I do not think the figures would show up as the gentleman contends in my State. When a forest fire starts it does not pay any attention to an imaginary line. When a forest fire is raging and comes up to a place where the Forest Service has drawn an imaginary line, the line does not deter it for a minute. As the old colored fellow said about the train when a man asked him if it stopped at his town, he said, "Boss, she didn't even hesitate." [Laughter.] That is the way of a forest fire. When a forest fire starts in our State it does not even "hesitate" when it reaches the line of a forest reserve.

Mr. FORDNEY. Will the gentleman from Washington permit a question?

Mr. CUSHMAN. I will.

Mr. FORDNEY. In one of the President's messages during the last session of Congress it was stated that 50,000,000 acres of forests in this country were burned over every year. When Mr. Gifford Pinchot appeared before the Committee on Ways and Means I asked him if that was not a misprint. He said that it was not, but that it meant all of the country that had any forests. Now, the fact is, gentlemen, that there is less than 3,000,000 acres of land in the United States stripped of its timber each year for the purpose of lumber. What the President's message meant is that in the Southern States longleaf pine burned over every year without any injury to timber at all, and the area burned in that manner was taken in in those figures.

Mr. CUSHMAN. I thank the gentleman for the suggestion. Bearing in mind that I must not detain the House too long—

Mr. STANLEY. I have in mind another question that I would like to ask the gentleman. I do not care to throw any bouquets at a trust, but I have been advised that the International Harvester Company has tried an experiment in forestry, and it might be valuable both to the gentleman from Washington [Mr. CUSHMAN] and to the Forest Conservation Commission, if I am correctly advised. They have a forest reservation of their own on the Mississippi River, extending up and down that river for about 30 miles and containing an enormous acreage. What it is I am not advised definitely enough to give it. It is enough, however, to supply the immense demand of the International Harvester Company with all the wood that it uses in its vast business. It is in charge of the most expert foresters in the world. They cut over that reservation every forty years—that is, they



have calculated that at the end of forty years they will have cut over it.

With each succeeding cutting they leave a more magnificent forest than before, by a system of careful selection and preservation of the young timber. I am also advised that in the ten, fifteen, or twenty years that they have had charge of this vast area, containing both hard-wood and coniferous forests, they have never failed either to prevent or to put out a forest fire of any consequence. I would like for the gentleman to advise me whether or not these statements are correct.

Mr. CUSHMAN. I am not familiar as the gentleman is with the conditions to which he refers. I will say that the conditions in the western part of this country, in my State of Washington and the State of Oregon, are far different.

I am not impugning the people of our forest service when I say that they can not put out a forest fire in my State. It can not be done by anybody. Men have no idea of the tremendous magnitude of those trees, and of the density of the undergrowth. When a forest fire once starts, you might as well attempt to take hold of the tail of a cyclone and control it as to control a forest fire in our State. It simply burns until it burns out.

Mr. STANLEY. One other question, Mr. Chairman. Does the gentleman refer now to hard wood or to coniferous wood?

Mr. CUSHMAN. I refer to the pines and the firs in our State. We have practically no hard woods there.

Now, I want to conclude my remarks in a reasonable time, and I refer to the chart that I have here.

*A tariff picture of the sawmill man.*

What he sells:	
Lumber	On free list.
What he buys:	<i>Payne bill tariff.</i>
Engines	45 per cent.
Boilers	45 per cent.
Machinery	45 per cent.
Trucks for logging cars	45 per cent.
Saws—	
Band saws	5 per cent per pound and 20 per cent.
Crosscut	5 cents per foot.
Mill saws	8 cents per foot.
Pit and drag saws	6 cents per foot.
Circular	20 per cent.
All other saws	25 per cent.
Belting—	
Cotton and rubber	30 per cent.
Leather for	5 per cent.
Axes	45 per cent.
Hatchets	45 per cent.
Chains—	
Log chains	1 cent per pound.
Small chains	1½ cents per pound.
Iron pipe	1 cent per pound.
Rope	2 cents per pound.
Harness	35 per cent.
Emery wheels	25 per cent.
Fire hose	15 cents per pound.

I want to state in the first place that across the top of this chart I have written "A tariff picture of the sawmill man, what he sells and what he buys." I am aware that lumber is not placed on the free list in the Payne bill. But I am aware that there are many men in this House that think that lumber ought to be placed on the free list in the Payne bill. Therefore, I have drawn this little chart to give you some kind of an idea of what situation the lumberman would be left in if lumber were placed on the free list. You can not expect—

Mr. COOPER of Wisconsin. Will the gentleman allow me to interrupt him?

Mr. CUSHMAN. Certainly.

Mr. COOPER of Wisconsin. Does that chart give the ad valorem on machinery at 45 per cent?

Mr. CUSHMAN. Forty-five per cent.

Mr. COOPER of Wisconsin. I have paragraph 468 of the Payne bill—

Plows, tooth and disk harrows, harvesters, reapers, agricultural drills and planters, mowers, horse rakes, cultivators, thrashing machines, and cotton gins, 15 per cent ad valorem.

Is that only sawmill machinery?

Mr. CUSHMAN. I refer only to sawmill machinery. This chart, when it says "lumber on the free list"—I am aware that lumber is not on the free list in the Payne bill in its present form, and it is not expected to put it on the free list, but I draw this chart in order that men on this floor may have some kind of an idea of the situation the mill man would be in if his product is placed on the free list. Lumber is the only thing he produces. It is the only thing he has got to sell. And out of the price of his product he must secure the money with which he buys everything that goes into his industry. He must buy

his machinery and his food supplies and everything of that kind. Look at this chart and you will see everything that a sawmill man has to buy is on the high protective tariff list. No man could look that chart in the face and vote for free lumber without his check mantling with the blush of shame. [Applause.]

I do not ask for anything unfair here; I only ask for the same measure of protection of our industries that I am willing to afford to the gentleman from Kentucky in his.

Mr. SHERLEY of Kentucky. When "the gentleman from Kentucky" asks for protective duties for something because it is in Kentucky, then he will be willing to accept the gentleman's statement.

Mr. CUSHMAN. I do not think the gentleman will do that, because he does not belong to the same political school that I do. I am fond of the gentleman from Kentucky, which State is famed for fair women, fast horses, and fine liquor. They tell me, sir, they produce whisky in Kentucky so fine that a man has to shut his eyes when he takes a drink, because if he looked at it it would make his mouth water, and that would spoil the drink! [Great laughter.]

Now, then, gentlemen, I call your attention, not only to the ordinary tariff duties that are imposed here, but to the extraordinary duties that are imposed on everything the sawmill man has to buy.

Mr. STANLEY. While the gentleman is talking about protection of Kentucky industries, I want to remind him that that same whisky cheerfully stands a tax of \$1.10 a gallon, that horses have been put out of business by the operation of law—and I am not complaining of that—and that Kentucky women will never ask for any protection until the angels in Heaven enter a beauty contest against them. [Great laughter and applause.]

Mr. CUSHMAN. To all of which I cheerfully agree.

I do not wish to worry the committee with a continual display of charts. I only wish to say in explanation that one reason I prepared these charts is I think in a certain sense it saves time. The chart speaks to a man's mind through his eye. When you are talking to an audience you can only reach the mind through the ears, but when a man can look at a chart he can grasp through his eyes the comparative statement of the figures contained thereon.

Now, then, I have another chart here that I have entitled: "Tariff picture of the sawmill man; what the sawmill man sells to the farmer; what the farmer sells to the sawmill man."

*A tariff picture.*

What sawmill man sells to the farmer:	
Lumber	On the free list.
What farmer sells to sawmill man:	<i>Payne bill tariff.</i>
Horses and mules	\$30 per head.
Cattle	27½ per cent.
Hogs	\$1.50 per head.
Fresh beef	1½ cents per pound.
Bacon and hams	4 cents per pound.
Poultry	3 to 5 cents per pound.
Flour	25 per cent.
Wheat	25 cents per bushel.
Corn	15 cents per bushel.
Oats	15 cents per bushel.
Hay	\$4 per ton.
Potatoes	25 cents per bushel.
Butter	6 cents per pound.
Eggs	5 cents per dozen.
Onions	40 cents per bushel.
Apples	25 cents per bushel.
Cheese	6 cents per pound.
Honey	20 cents per gallon.
Wool	3 to 36 cents per pound.
Cabbages	2 cents each.

I call attention to these figures because I think they are important.

Here is a chart showing almost every known product of the American farmer protected by a tariff as high as the pyramids; the farmer's prices for his products have soared into the sky; he is willing and anxious that the tariff shall be continued on his own products—but he thinks that lumber ought to be on the free list.

Every product mentioned in this list is a product which the sawmill men of my State buy from the farmers, and they buy large quantities, too.

And so far as I have observed the sawmill men always pay cheerfully for what they buy, too. They expect to get a decent price for their lumber, and they are always willing to pay everybody else a decent price for his product.

The lumber men of this Nation are to-day standing in an entirely consistent position. They are willing that the labor and

the products of other men shall continue to be protected, and they likewise ask protection for their own product.

The people who are inconsistent are the people who desire to retain protection on their own product and take all protection off lumber.

I say to you that if the lumber men of my State occupied as inconsistent a position as some other people do in this contest I would desert their cause in a minute. [Applause.]

Mr. HITCHCOCK. Mr. Chairman, does the gentleman seriously contend that those tariff schedules on the natural and inevitable products of Nebraska are of any benefit to the people of Nebraska or any compensation to them whatever for the enormous burden they bear by reason of the great tariff on coal and lumber and on the products which they must buy from eastern factories?

Mr. CUSHMAN. I do; and I will ask you if the tariff did not benefit the Nebraska people and their products, what price did they get for those products when you and your Democratic party were last in power? [Applause on the Republican side.] Did they get the same prices they are getting now?

Mr. HITCHCOCK. I want to tell the gentleman that we need no protection, and we are selling those products in competition with all the world to-day, in all parts of the world, without the protection of any tariff. The prices we get are based on the prices in the countries to which we export our surplus, as you very well know. [Applause on the Democratic side.]

Mr. CUSHMAN. Let me say to the gentleman that he only shows one side of the picture. When industry is universal in the United States our working people have money to buy, and then we consume at home the largest portion of what is produced at home. But when labor is out of work and has no money to buy, that forces abroad an ever increasing part of your products, and that brings down the price. [Applause on the Republican side.] The gentleman talks about the market of the world as if we had nothing to do with it. The biggest factor on earth in controlling the market of the world is either prosperity or poverty in America.

Mr. HITCHCOCK. I want to say in reply to the gentleman that the question is not whether we can get prices for our western products, but whether enough western products can be raised to feed the world.

Mr. CUSHMAN. How did it come, then, that the people of this Nation, when you and your party were in power, rose up and kicked you out because they did not like the way your policies affected the Nation.

Mr. HITCHCOCK. I reply to the gentleman that the tariff on hogs and corn and wheat has nothing to do with the case. It is like the flowers that bloom in the spring.

Mr. CUSHMAN. That may be your judgment; it is not mine. My friend from Nebraska [Mr. KINKAID] wanted lumber on the free list, because he thought the price of lumber was too high. The people of Nebraska are complaining because they say lumber is too high; but the people of my State are complaining because the price of the products that they get in Nebraska are too high. I say to you, my friends, that this is a proposition that reaches you as well as me. This is a mighty industry in this Nation. It employs—

Mr. KINKAID of Nebraska. Will the gentleman permit me to ask him a question?

Mr. CUSHMAN. Certainly.

Mr. KINKAID of Nebraska. I want to ask the gentleman from Washington whether the State of Washington is not self-sustaining as to its breadstuff? I will ask him if it is not one of the greatest wheat-producing States in the Union, producing wheat over a very large area and of an excellent quality? I will further ask him if it does not export big quantities of wheat? I will likewise ask him if it does not raise a great many cattle, more than enough for home consumption?

Mr. CUSHMAN. If the gentleman will just step around here, I happen to have prepared a chart that answers his question perfectly. I call his attention to this chart:

#### RECIPROCITY.

Farmers' sales of products and purchases of lumber for the year 1908.

Iowa sells to Washington:	
Dairy products.....	\$2, 250, 000
Hogs and pork, etc.....	750, 000
Seed.....	10, 000
Corn and its products.....	250, 000
Total.....	3, 260, 000
Iowa buys from Washington:	
Lumber and shingles.....	1, 600, 000
Trade balance in favor of Iowa.....	1, 660, 000

Sales of farmers' products to State of Washington, year of 1908.

[Estimated total of all products.]

Nebraska.....	\$6, 375, 000
Wisconsin.....	9, 850, 000
North and South Dakota.....	500, 000
Iowa.....	4, 060, 000
Kansas.....	2, 475, 000
Minnesota.....	5, 800, 000
Ohio.....	5, 000, 000
Indiana.....	4, 000, 000
Illinois.....	8, 750, 000
Total (incomplete).....	47, 310, 000

This chart shows very graphically the "reciprocity" that exists between the sawmill man and the farmer. In the first place, I put at the top of this chart a statement regarding the amount of lumber that the Iowa people bought from the State of Washington in the year 1908—\$1,600,000 worth of our lumber went that year into the State of Iowa—but during that same time we people of the State of Washington bought of Iowa farm products practically three and a quarter million dollars' worth, leaving the great balance in favor of the Iowa farmer of \$1,660,000. In that single year the Iowa farmer got more than twice as much money out of the State of Washington as he sent into it. [Applause.]

This chart was not large enough to permit me to make a detailed showing of the reciprocal trade of each of these States with the State of Washington, but the chart does show the total of your products which we buy, and in every instance the figures which relate to Iowa will be borne out in the other States. We buy about twice as much of your products as you buy of our lumber.

I call the attention of the gentleman from Nebraska to the fact that we bought of the products of Nebraska in the last year over six and a third millions of dollars' worth, and we did not sell into Nebraska during that time one-half that much lumber.

And, sir, when you tear down the lumber business and the sawmill industry of this Nation for the benefit of the Nebraska farmer, I bid you remember Samson of old:

He pushed the pillars out from the temple to destroy the Philistines, but most of the bricks lit on him!

I say to you that when you get through destroying the sawmill industry of the State of Washington, you will find that most of the wreck lit on you and your people, and I won't put any crape on my hat either! [Great laughter and applause.]

The State of Washington is a great producing State; we do produce lots of wheat and other products, but lumber is our big industry. The lumber industry in my State is not only larger than any other single industry, but it is larger than all the other industries combined. Do you wonder that I am interested in this subject?

Mr. KINKAID of Nebraska. Will the gentleman yield for a question?

Mr. CUSHMAN. I will.

Mr. KINKAID of Nebraska. A few years ago the Pacific coast shipped but very little lumber east of the mountains to the prairie States, but the amount of lumber which the Pacific coast has been shipping east has been constantly increasing, as the forests east of the Rocky Mountains and east of the Missouri and Mississippi rivers have been becoming exhausted. As the lumber product in the east has been decreasing, commensurate with that have the shipments from the Pacific coast been increased to the eastern country. It is not just what has occurred heretofore. That is not a fair criterion. There is rapidly taking place a great change in conditions. The lumber product first came from the Northeast—

Mr. CUSHMAN. I thought you said you wanted to ask me a question, and not to make a speech in my time.

Mr. KINKAID of Nebraska. Perhaps this is going too far, and if I am to answer the gentleman from Washington, who is making a very able and creditable address upon the lumber question, perhaps it would be more fair for me to defer and ask the privilege of taking the floor at some other time.

Mr. CUSHMAN. I have no disposition to cut the gentleman off; the House has been kind to me in giving me unlimited time, but I have been on the floor for more than two hours, and there is a limit to my strength, if not to the indulgence of the House. I hope to conclude within a reasonable time now.

Mr. SIMS. If the gentleman will yield to me, I am in the same trouble he is. I live in a lumber district, and I want to ask two or three questions bearing upon this subject.

Mr. CUSHMAN. I will gladly yield to the gentleman for a question, and answer it if I can, although I am not putting myself forward as a great lumber expert.



Mr. SIMS. I will make a statement of facts, so the gentleman will understand: The Tennessee River runs through my district from the south to the north. Time out of mind a large business has been done on the Tennessee River by cutting and rafting logs to Paducah, on the Ohio, and to Cairo, at the mouth of the Ohio River, and to other points between. The raftsmen buy timber all up and down the river from the farmers or whoever will sell it, then they transport it by rafting down the river to the sawmill man. Now, I get a letter from the timberman and he says, "If you take the \$2 tariff off it will come off my timber, because the raftsmen will give me \$2 less for my logs." That looks reasonable. Then I get a letter from the raftsmen saying, "If you vote to take the tariff off it will come off of we raftsmen, because the farmer and the landowner are able to hold their timber for higher prices, while we must continue our business in order to live." And then I get a letter from the sawmill man, who is a real manufacturer, and he says it will all come off him, because he can not get his logs any cheaper, but he will have to sell his lumber cheaper because of competition with Canada.

Now, I do not know which of these gentlemen is right, or whether either of them is. Taking it all together, I would like to have the gentleman's opinion as to whether the removal of the duty will come off the man who owns the timber, or the man who prepares it and gets it to the mill, or the millman who saws it.

Mr. CUSHMAN. The man don't live who can accurately and absolutely answer that question.

Mr. SIMS. Then, you see, I am up against a pretty hard proposition. [Laughter.]

Mr. CUSHMAN. In all human probability the loss would be borne largely by the man who owned the timber. But the exact situation of the timber, and the freight rate on the product when sawed into lumber, and other elements, including distance, would all be matters that would have to be considered in each case.

The pathetic feature of the whole thing is, in my judgment, that the loss would be borne chiefly by the timber owner, and some of it by the sawmill man, but the duty of \$2 on lumber would be entirely absorbed by the retail dealer in many instances, and the consumer would get no relief. I do not believe that the ultimate price of lumber when it reached the consumer would be less, even if the tariff were removed, but it would be sufficient in my judgment to put the sawmill man out of business in my State. You may say that is rather strange logic. I admit it. But under an actual trial that is just what happened under similar circumstances to the coal-mining industry of my State when the Wilson bill reduced the tariff on coal to 40 cents a ton. The coal didn't get any cheaper to the consumer, but it put the coal miner out of business, because it closed up American coal mines in my State.

Mr. SIMS. Upon the theory of a protective tariff, supposing we are going to make this bill on that theory, have we any right to vote for protection on standing timber that has cost nobody any labor, but which has grown in value like the interest on a mortgage?

Mr. CUSHMAN. A great many men seem to have the idea that as timber is a kind of natural product, that it never cost anybody anything, and that you can go out into the forest and pluck bunches of shingles off the trees like you can pick bananas in a tropical forest. That is not correct. The tariff on lumber was not placed thereon for the purpose of increasing the value of the timber, but to protect the wages of the men who manufacture that timber into lumber. It is true that the tariff has operated to a small extent to raise the price of timber, but chiefly it has operated to protect American wages.

My observation is that while timber may have grown in the first instance in response to the command of Almighty God, that it is very expensive to hold after a man acquires it. The tax on standing timber in my own State is something enormous. That is where the Canadian has another advantage over us. In the first place labor in Canada is cheaper than in the United States. In the second place, the timber can be bought in Canada for a cheaper price than it can in the United States. And last, they do not have the exorbitant taxes to pay that we do. When they buy timber in Canada they do not buy it outright as we do. They get a timber lease from the Canadian government. They hold these leases for many years, and they only pay for the timber as they cut it, and in the meantime they don't pay taxes on the standing timber as we do. In my State you pay taxes on standing timber every year, and likewise in all other States in our Union.

Recently a man called my attention to two instances—two tracts of timber, one on the Canadian side and one on the American side, approximately the same acreage and about the same amount of standing timber in each tract. The man on the American side paid \$90,000 in taxes in one year on his timber; on the Canadian side of the line the total cost for taxes was about \$300 per year.

Now, I referred a moment ago to this chart showing the reciprocity between the farmer and the lumberman, because I think it is most interesting.

My friend from Missouri [Mr. CLARK] said yesterday that he wanted the price of lumber to come down, so the farmer could get lumber cheap, in order to build a home.

The tariff on lumber is only \$2 per thousand feet. You can build an ordinary house large enough for a man and his wife and two children with 10,000 feet of lumber. Therefore, if the tariff of \$2 per thousand were removed, and the home builder got all the benefit of that removal, he would only save \$2 a thousand on 10,000 feet, or \$20. He would save \$20 once in his lifetime.

For the farmer usually builds one house and one barn in his lifetime—but he raises a crop to sell every year. [Applause.]

When you get ready to save the farmer and the wage-earner that \$20 on the house that he builds, you will rob them of ten times that much in wages and depreciated products every year, and five hundred times that much in a lifetime. You will find that you are saving at the spigot and losing at the bung-hole. You are taking away from the laborer more in wages and taking away from the farmer more in markets than either gain in the transaction. [Applause.]

I listened with interest and amazement when my friend said he wanted to smite Weyerhaeuser and my friend Mr. McCormick, because they were large timber holders. They are both estimable men, and I am glad to know them—and they had more sense than I had.

They bought the same timber which I might have bought if I had had sense enough. I hope the time will never come when I will raise my voice in an attempt to confiscate the property that another man honestly acquired because I did not have sense enough to buy it when he did.

Mr. CLARK of Missouri. I will ask my friend if there was not something else he and I both lacked besides brains in this lumber transaction, and was not that the money to buy?

Mr. CUSHMAN. Yes; I will admit that there was a little temporary embarrassment on my part in that connection. [Laughter.]

Weyerhaeuser came to America in an emigrant ship when he was a boy. He has wronged no man and defrauded no man. His rise from poverty through his own efforts ought to be the subject of congratulation and not abuse.

Mr. McCormick is an honored citizen of my home city of Tacoma. When he began life for himself as a typical American boy he had no fortune save his two willing hands—not a dollar in money. His career has been both honorable and successful, and it ill becomes us to speak lightly of him. His neighbors in Tacoma think well of him, and so do I.

There are a very few large timber owners in this Nation, and when my friend from Missouri [Mr. CLARK] tries to smite those few timber owners he will find that he has hit in the face \$00,000 laboring men who carry dinner pails and make their living out of this industry. [Applause.]

#### IMPORTS AND EXPORTS OF WOOD PRODUCTS.

Many men who want the tariff taken off lumber frequently say, "We are exporting more wood products than we are importing." A wise man once said that, "A half truth was worse than a whole lie." That very aptly characterized this statement.

It is true that we are shipping out of the United States more timber and wood products than we import.

The truth about it is, that so far as imports and exports of lumber and shingles are concerned the big end of that business is between the United States and Canada.

There are certain woods in the United States which Canada does not have to any extent, yellow pine and hard-wood flooring, and so forth. She buys those products from the United States because she has to; she can not get them anywhere else.

And at the same time she is dumping into our market vast quantities of common lumber and shingles, bought from cheap crown lands, and manufactured by cheap oriental labor. She only buys from us what she has to, and we buy from her the same kinds that we can make at home.

That is reciprocity—like a jug handle, all on one side.  
Let me call your attention to a chart I have prepared showing various importations and exportations of wood products.

1908.—Wood and wood products.

TOTAL IMPORTATIONS AND EXPORTATIONS, UNITED STATES.

Year.		Value.
1908	All wood exported from United States.....	\$81,521,305
1908	All wood imported into United States.....	43,527,982
	Excess of exports.....	\$37,993,323

1908.—Timber.

BOARDS, PLANKS, DEALS, AND SAWED LUMBER.

Year.		Amount.	Value.
		<i>Feet.</i>	
1908	Imported into United States from Canada .....	779,645,000	\$14,953,158
1908	Exported from United States to Canada .....	142,776,000	4,115,785
	Excess of Canadian imports.....	636,869,000	10,837,373

SHINGLES.

1908	Imported into United States from Canada .....	987,266,000	\$2,376,349
1908	Exported from United States to Canada .....	2,955,000	8,873
	Excess of Canadian imports.....	985,311,000	2,367,476

The upper part of this chart shows that we are sending abroad more timber products than we import. These products which we send abroad, as I before said, are those products which Canada and other countries must have.

The only advantage we get from that is the advantage which God Almighty gave to the United States—of giving us some timber products which other nations do not have.

And yet we are invited by some statesmen to swap off the advantages, which God gave us, to Canada—and get nothing from Canada in return.

Are we to run this Government on business principles and demand trade advantages when we give them; or are we to stand the United States up among all the nations of the earth like a universal Christmas tree from which everybody helps himself and give us nothing in return?

Now, then, look again at this chart. "Boards, planks, deals, and sawed lumber." That is the commonest kind of common lumber. Yet Canada sent to us in the year 1908 five times as much in quantity and three and one-half times as much in value as we sent to her. That means that we sent that much money to Canada that ought to have remained at home. Canada has no woods that we do not possess or have a suitable substitute therefor.

This is what Canada is doing to us in the lumber business right now while the \$2 per thousand tariff is on. What do you think she will do to us when we give her a further advantage by taking it off?

Look at the part of that chart that deals with shingles. In the year 1908 Canada sent into the United States 329 times as many shingles as we sent into Canada in the same year. And yet we boast that we believe in protecting home industries and home labor. Any American who has any red corpuscles left in him can not look at that chart and not blush. The American tariff on shingles ought to be raised from 30 cents to 60 cents a thousand, and then we would begin to manufacture our own shingles at home, and the price to the consumer would be little if any greater than it is now.

I will add another table of figures showing the lumber and shingles exported and imported between the United States and Canada during the past five years:

Shingles imported into the United States from Canada and exported from the United States to Canada.

AMOUNT.

	1904.	1905.	1906.	1907.	1908.
Imported...	770,372,000	758,725,000	900,806,000	880,903,000	987,266,000
Exported...	7,069,000	6,867,000	8,905,000	2,013,000	2,955,000

Total imports shingles for five years from Canada..... 4,298,072,000  
Total exports shingles for five years to Canada..... 27,809,000

Excess imports over exports..... 4,270,263,000

In five years one hundred and fifty-eight times as many.

Valuation of shingles imported and exported between the United States and Canada.

VALUE.

	1904.	1905.	1906.	1907.	1908.
Imported.....	\$1,602,998	\$1,581,421	\$1,852,512	\$1,939,791	\$2,376,394
Exported.....	14,186	13,212	16,377	4,265	8,873

Total value shingles imported, 5 years, from Canada..... \$9,353,071  
Total value shingles exported, 5 years, to Canada..... 56,913

Excess imports over exports..... \$9,298,158

In five years, value one hundred and sixty-four times as much.

Please note the steady increase in the quantities of the stuff that Canada is sending to us, and the steady decrease of similar products we are sending to her. If that chart was a little wider and contained the record of a few more years, the United States would be clear off the commercial map!

CONSERVATION OF THE FOREST.

Mr. Chairman, I know I have already detained the House longer than I should. As I draw toward a close I want to speak a few words regarding the subject of the conservation of the forest.

I presume that all men will concede that the Hon. Gifford Pinchot, the Forester and Chief of the United States Forest Service, is the best and most reliable authority in the United States upon the subject of forest conservation. What does Mr. Pinchot say upon this question? Mr. Pinchot says that the removal of the tariff on lumber would not conserve the American forest and would not make lumber cheaper to the consumer. I have not time to read his entire letter on this subject now, but I want to quote the following sentence from Mr. Pinchot's letter on this subject. He said:

If the tariff on lumber were to be removed, it would be done, I take it, for one or both of two purposes—either to reduce the price to the consumer or to preserve our forests. In my judgment, it would accomplish neither.

[Mr. Pinchot's entire letter appears in the appendix to Mr. CUSHMAN's speech.]

When I say "conservation," I want to make my meaning plain. When a sheep is butchered if you kept the meat and threw away the wool that wool would not be "conserved," it would be wasted.

If when a butcher killed a beef he saved only a few choice cuts and threw the remainder of the carcass away, that would be waste and not conservation of beef.

Strange as it may seem to you, the higher the price of lumber goes the more of the forest is saved or used—because when you use timber you are saving it. It is only when you throw it away that you waste it.

Now, the lumber business is like any other business on earth. The lumbermen use whatever portion of the tree that it will pay them to use. But, if they find that the top cuts of a tree are costing them \$10 per thousand to make into lumber—and that after it is manufactured they can only sell that lumber for \$7 or \$8 per thousand—they will leave those top cuts in the forest to rot or burn.

You may say they ought not to do that. But applying this to your own business, let me ask you if, from purely philanthropic motives, you would continue any part of a manufacturing business in which the return was not equal to the outlay? Of course you would not, and neither would any other man. The lumbermen many times leave the top cuts of the tree in the forest, not because they want to, but because they have to. As the price of lumber goes up, the more of the tree is brought to the mill from the woods to be manufactured.

Therefore, when men cry out for low-priced lumber, and at the same time for the conservation of the forest, they may be honest, but they are crying aloud for two policies which are diametrically opposed to each other.

Mr. STANLEY. I would like to ask my genial friend a question.

Mr. CUSHMAN. Very well.

Mr. STANLEY. If that argument were carried to its logical conclusion, and chickens were as high as canvas-back ducks, there would be fewer chickens killed, because we would pick the bones cleaner. Is not that right?

Mr. CUSHMAN. Very likely. But those are facts that I have stated, nevertheless. I wish to call your attention to a chart that I have drawn that illustrates very clearly my contention, that cheap lumber leads directly to waste of forest products. Let me invite your attention to this chart.

As the price of lumber advances less timber is wasted and more is saved.



## Record of logging firm on Columbia River.

	Feet.
Timber cut in year of 1905.....	97,808,825
Estimate of logs left on ground wasted.....	41,671,175
Average selling price of logs.....	\$6.71
Timber cut in year of 1906.....	165,852,000
Estimate of logs left on ground wasted.....	25,482,000
Average selling price of logs.....	\$9.41
Timber cut in year of 1907.....	230,477,003
Estimate of logs left on ground wasted.....	18,826,977
Average selling price of logs.....	\$9.87

This chart shows the operations of a logging firm on the Columbia River in the State of Washington for three years—for the years of 1905, 1906, and 1907.

The price of logs and the price of lumber run side and side. When lumber is high, logs are high.

Therefore I first invite your attention to that portion of this chart which shows the price at which logs were selling, which prices you will observe were as follows: 1905, \$6.71; 1906, \$9.41; 1907, \$9.87.

You will observe that the price of logs was increasing all the time, and quite rapidly between 1905 and 1906.

Now, let us look at the other figures on this chart and see if my contention is true—that higher-priced lumber brings a greater portion of the tree out of the forest.

In the first year—1905—when logs were low in price, this logging company brought out of the woods about 97,000,000 feet and left about 41,000,000 feet of top logs lying in the woods to rot and burn. They left almost one-half as much as they brought out. But they had to cut the whole tree down to secure what they did bring out. You may call that criminal waste, but if the price of lumber was not high enough to pay for bringing out these top logs would you have brought them out?

Next year—1906—the price of logs rose very much; the price rose from \$6.71 to \$9.41, which was a raise of \$2.70 per thousand feet of scaled log measure.

Under the stimulation of this high price in the year of 1906 the logging company brought out of the woods 165,000,000 feet of logs, and only left in the woods about 25,000,000 feet. That is, they only left one-seventh as much wasted as they saved, whereas in the former year they left almost one-half.

The third year—1907—the price of logs was still rising, and that year the logging company brought out of the woods about 230,000,000 feet of logs, and left only about 18,000,000 feet of top-cut logs to rot; that is, they only wasted about one-thirteenth of the entire cut, whereas two years before they had wasted almost one-half.

Those figures and that logic prove conclusively that I am right when I say that low-priced lumber and conservation of the forest not only do not go together, but are directly opposed to each other.

When a man in Nebraska buys lumber at about \$30 per thousand he has an idea that that is all clear profit to the sawmill man, but it is not. About \$15 of that is freight, and a good slice of it is the profit of the local lumber-yard man.

The sawmill man gets mighty little out of this transaction. Common lumber is about \$8 per thousand in my home town, and the sawmill man, when he piles up in his yard a thousand feet of lumber, can then go into his office and charge up about 90 per cent of that to labor alone—to say nothing of the cost of his mill, the high taxes on his timber, loss by fire in the woods—and a rate of insurance of his mill that is higher than anything you ever dreamed of in insurance matters.

The sawmill men in my State have not become wealthy, as many men seem to think. I have lived in that State for the past twenty years. I recall one of the biggest mills in that State, which I am reliably informed never paid a dividend in fourteen long years. And that was not a matter of juggling with bookkeeping either. They simply did not make the money.

The biggest sawmill in my home town practically paid no dividend for ten long years. Men have drawn in their minds a fanciful picture of sawmill operators becoming immensely wealthy in the lumber business. It is not true, and that is proven by the fact that more men would go into it if fortunes were waiting for them. Instead of making immense fortunes with ease they sit up nights whittling up lead pencils trying to figure out how to make the income meet the pay roll.

You draw pictures of these lumbermen grinding money out of poor people. Let me draw you a picture from life:

Col. C. W. Griggs, of my home city, was the moving spirit in building the biggest sawmill in Tacoma. Shortly after he got it built the panic of 1894-95 came on. Lumber was so low there was no profit at all in running the mill. But the workmen were standing around that mill who had no other source for

their bread than their day's work. Griggs ran that mill for years, wore his machinery out, and sawed up his timber. He helped many a man to get bread, but during those years he never made a dollar.

That is history and not fancy that I am giving you now.

## ORIENTAL SAWMILL LABORERS IN CANADA.

Before I close I want to call attention to two pictures, one showing an American sawmill in the State of Washington and the other a Canadian sawmill in British Columbia. Look on this picture and then on that.

[The illustrations referred to appear on following page.]

Gentlemen, what separates these two conditions shown in these pictures? I will tell you.

All there is between these two conditions is 250 miles of thin air, one imaginary geographical line, and a \$2 lumber tariff. The thin air and the imaginary line will not stop anything—they have no deterrent effect.

Therefore, we of the State of Washington want to protect ourselves and our industry from cheap oriental labor in Canada by having this tariff on lumber at least maintained where it is now.

## CLOSING.

And now, Mr. Chairman, I have detained this House far longer than I expected to.

I will say to you all, in conclusion, that the matters upon which I have spoken to-day—both lumber and coal—are industries that are very close to my heart.

We have 110,000 people in my State of Washington who work as laborers in the sawmill industry. Counting four members to the family, that makes 440,000 mouths that are fed by this industry in my State alone—practically a half a million people. This is not a trifling matter that I have been discussing.

We do not ask anything that is unfair. We ask only the same measure of protection for our industry that the Republican party accords to other people and other industries.

I realize that my side of this question is the unpopular side, but as God is my witness I know it is the right side. It has been my duty to present these matters to you as best I could. I ask gentlemen not to be swept away from what is right by a temporary tide of popularity.

Unfortunately, as it seems to me, there are some men in public life during these days who are more anxious to find out what is popular than they are to determine what is right.

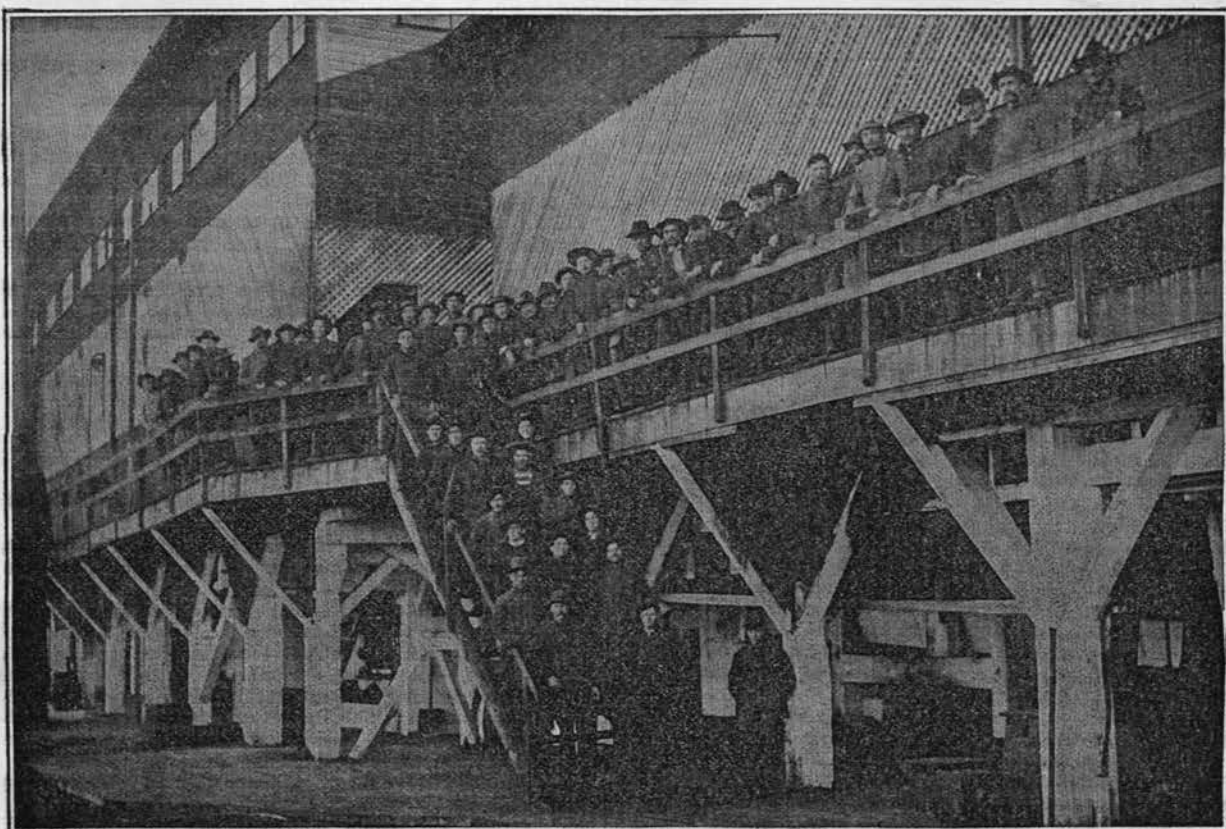
I have known men in my lifetime who made themselves hump-shouldered and wry-necked keeping one ear to the ground listening for the rumble of popular approval—but who never raised their eyes toward heaven searching for the signals of the truth. [Applause.]

Mr. Chairman, speaking for myself, I have certain fixed political beliefs and convictions. They may not be the wisest, but such as they are I entertain them honestly. I am so constituted morally that I can not put these convictions on a wheelbarrow and trundle them around after any political acrobat, however exalted his position or pleasing his personality. One of the convictions I have cherished since my young manhood is my unshaken belief in, and my unwavering adherence to, the policy of protection to American industries, and where the pathway of my youth led there the feet of my manhood are still marching. And the history of this Nation throughout all the years that lie between amply vindicates my judgment.

And if, perchance, some people in this Nation to-day may be wavering in their allegiance to that splendid principle that constitutes no reason for me to change—that is all the more reason why those of us who have the courage of our convictions should stand by our principles.

Political death has no terrors for me when it looms athwart the path of duty. He who has the faith to march to political death for an immortal principle is sustained and soothed by an approving conscience, and he sees in the sun as it goes down the blessed reflection of a coming dawn that shall be the signal of his political resurrection. [Applause.] But the political infidel who has no economic convictions, save the changing murmur of the multitude, when political death overtakes him his miserable image passes forever into the changeless night, uncomfited by the companionship of heroic recollections or the blessed hope of a future day.

Sir, in the political life of America those who have eternally chased shifting public opinion at the sacrifice of principle are not those who have eventually planted their feet upon the serene



TYPICAL AMERICAN SAWMILL SCENE AT GRAYS HARBOR COMMERCIAL COMPANY, COSMOPOLIS, WASH.



PART OF FRASER RIVER LUMBER COMPANY PLANT AND CREW, SHOWING HINDOO LABOR, NEW WESTMINSTER, BRITISH COLUMBIA.



and lofty summit. The men who are willing to accept defeat for principle rather than to capitulate for the spoils of office are the men whose treasured memories to-day constitute the noblest heritage of this Republic.

Such a man was William McKinley. [Applause.] Let me remind you, my countrymen, that William McKinley once in his lifetime stood exactly in the same position that the Republican party stands to-day. He was framing the McKinley tariff bill. The political enemy was filling the air with wild denunciations of that bill and its author. The public was wavering in its belief. Some political dodgers and primers in his own party were deserting the ship. But there stood McKinley, with principle in his hand and courage in his heart, and all the world, sir, can not stand against that combination. [Applause.] And was McKinley defeated? Ah! yes. His political ship went down, but the last thing that greeted the gaze of his countrymen before the wanton political waves rolled over that frail craft was McKinley standing on the deck with the flag of protection held aloft in his hand. That flag was the last thing to go down—and therefore it was the first thing to come up! [Applause.] And, sir, when that flag and that matchless standard bearer came once more into view, the loyal and loving hands of his countrymen placed on his brave brow a wreath

woven from the fairest garlands ever garnered in a republic. [Loud and continued applause.]

## APPENDIX.

## Wood and wood products.

[Total importations and exportations from United States.]

Imports.		Exports (domestic).	
Year.	Value.	Year.	Value.
1904.....	\$26,984,353	1904.....	\$65,428,417
1905.....	29,564,323	1905.....	58,032,977
1906.....	36,532,705	1906.....	69,080,394
1907.....	42,969,941	1907.....	83,349,575
1908.....	43,527,982	1908.....	81,521,305
Total (5 years).....	179,579,305	Total (5 years).....	357,382,668
Imports.....			\$357,382,668
Exports.....			179,579,305
Excess exports.....			177,803,363

Lumber and timber products imported into the United States from Canada and exported from the United States to Canada during the fiscal year ended June 30, 1904 to 1908.

## IMPORTS INTO UNITED STATES FROM CANADA.

Year.	Boards, planks, deals, and other sawed lumber.		Timber, hewn, squared, or sided.		All other unmanufactured wood.		Logs and turned timber.	Pulp wood.	Total.
					Free.	Dutiable.			
	B. M. feet.	Dollars.	Cubic feet.	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.
1904.....	585,194,000	8,729,135	129,447	29,206	1,989,667	5,814	536,210		
1905.....	704,956,000	10,714,417	182,225	28,514	2,509,663	12,436	721,400		
1906.....	944,153,000	14,589,864	256,015	46,720	2,398,842	168,016	772,272		
1907.....	921,873,000	15,828,477			153,509	63,497	932,027	2,792,751	
1908.....	779,645,000	14,953,158			223,341	51,554	1,245,095	4,989,919	
Total.....	3,935,821,000	64,815,051	567,687	104,440	7,275,022	301,317	4,207,004	7,782,670	84,485,504

Five years' total wood product imported to United States from Canada (except shingles) ..... \$84,485,504  
 Five years' total shingles imported to United States from Canada ..... 2,376,349  
 Total ..... 86,861,853

## DOMESTIC EXPORTS FROM UNITED STATES TO CANADA.

Year.	Boards, planks, and deals, and joists and scantling.		Timber, sawed.		Timber, hewn.		All other lumber.	Logs and other, unmanufactured.	Total.
	B. M. feet.	Dollars.	Feet.	Dollars.	Cubic feet.	Dollars.	Dollars.	Dollars.	Dollars.
1904.....	176,079,000	3,519,771	31,069,000	676,964	870,201	301,693	532,630	588,679	
1905.....	158,775,000	3,275,977	25,476,000	408,239	833,938	283,171	649,654	521,305	
1906.....	101,958,000	2,575,977	28,825,000	585,142	289,460	114,751	557,642	757,306	
1907.....	172,065,000	4,957,237	28,037,000	634,710	230,135	82,675	710,399	551,255	
1908.....	149,355,000	4,261,699	18,767,000	375,220	325,138	123,689	750,911	691,249	
Total.....	758,232,000	18,569,761	132,174,000	2,680,275	2,548,872	905,979	3,201,236	3,109,794	28,467,045

Excess of imports for five years, \$56,018,459.

DEPARTMENT OF COMMERCE AND LABOR, BUREAU OF STATISTICS,  
 March 22, 1909.

Mr. FRANCIS W. CUSHMAN.

O. P. AUSTIN,  
 Chief of Bureau.

Five years, total wood exports United States to Canada (except shingles) ..... \$28,467,045  
 Five years, total shingle exports to Canada from United States ..... 56,913

Shingles.  
 In five years, total imports from Canada to United States ..... 28,523,958  
 In five years, total exports of United States to entire world ..... \$2,379,242  
 76,335

Canada sent us thirty-one and one-half times as many shingles as we sent to the entire world.

In five years, total importation of wood from Canada..... \$86,864,746 | \$357,382,668. Five years total exports wood from United States to world.  
 In five years, total exportation wood to Canada..... 28,523,958 | 179,579,305. Five years total imports woods to United States from world.

In five years, excess imports wood from Canada..... 58,340,788 | 177,803,353. Five years excess of exports to the world.

In five years we only exported to the entire world about four times as much wood as Canada sent us.

Mr. MOON of Tennessee. Mr. Chairman, the interest that has been manifested in this debate has been great. The debate itself has been very pleasant, and I regret that I must take the advantage of license offered in general debate on the great tariff question to speak, not of the tariff, but of other matters that seriously affect this House. Under no circumstances would I in this presence discuss differences of the Democratic party in connection with the rules of the House in conference or elsewhere, unless in my judgment the action of that party affected the integrity and the orderly administration or procedure in this House. It has been a number of days since the Sixty-first Congress was organized, and that intolerance manifested here on the part of some gentlemen is almost unspeakable. But that time is sufficient for men to cool down, to return to a calm and deliberate consideration of the questions involved in that controversy as they affect the welfare of the people and the true and proper conditions that should maintain in the House of Representatives.

I propose to state the cold facts alone that the public may understand where the error was, and if any be to blame, who they were. What was the question on the organization of the House? What was the question long before the organization which had aroused the American people to a belief that the great House of Representatives, the forum in which all the battles of the American people had been fought on behalf of liberty and independence, was trammelled and held in subjugation by a clique within the dominant party. The country believed that the rules of this House ought to be modified, but when we speak from the standpoint of the people of the United States, respect for them and honor to ourselves demand that we state the issue upon the great question upon which we may be divided. Who made the rules of the House of Representatives? Bad as we all concede they are in many respects, the substantial rules of this House to-day have been in existence since the organization of the Government itself. The Federal party, the Whig party, the Democratic party, and the Republican party have been participants in the making of the rules for the government of this body.

The present rules in their present shape, or in the shape in which they were when this Congress met, are the product of the Republican party, but necessary in many respects to maintain order and carry on legislation proper in a great body like this. But let us be fair; let us be just. The last Democratic Congress not only passed these same rules, but rigidly enforced them to the letter.

The Republican party has since been in power and has enforced them. Of what do we complain? In what respect is this House deprived of its power at the hands of the Speaker or the Committee on Rules? We have said, and we say yet, that the chief trouble is in the matter of recognition of a Member upon the floor from the Chair. We have said that the Speaker, when once having turned to a Member of the House and recognized him, should not have the power to turn away from him and decline to recognize him because, forsooth, he presented a question that did not suit the interests of the party in power or the Speaker for consideration at the moment. We have said that this House ought not to be compelled to go to the Speaker and obtain the right to stand on this floor and ask unanimous consent for the consideration of a proposition.

We have said that this House ought to have a fixed day on which its Union Calendar, on which its House Calendar as well, and the Private Calendar of the House should be called. We have said that the minority ought to have the right to have a vote at some stage of the legislative proceedings upon a proposition of the minority, and at the close of a contest on this floor the rule of the House that permits only one motion to recommit with instructions ought not to prohibit the minority from presenting its views, but that the power ought to rest with the minority party, at least at that stage of the proceedings, to present to the House its views upon a given question.

What has been done in the way of the reform of these rules? Let us take the facts just as they occurred, and I must discuss in this connection not only the action of the House but of the Democratic caucus. The Democratic party on the meeting of this Congress had not chosen their leader, and yet word had gone to the country, through the public press, that every Democrat who did not appear on that day and stand by the movement to correct the rules was to be pilloried and driven from this body.

They came. The caucus met. The plan had been made. The Democratic Representatives in this House were not consulted, save a few. The caucus chairman was elected. The gentleman from Missouri [Mr. CLARK] was chosen as our candidate for Speaker, and then the rule of a Republican Congress was invoked to gag the minority. Secrecy was maintained as to what was to be done. No authority had ever been given by

the Democrats of this Congress to enter into an alliance for any purpose with any portion of the Republican party. At that stage of the proceedings, having been advised that things would be done in that caucus that did not meet with my approval, my judgment, or conscience, there being no binding obligation upon any man, but for fear that some calumniator might pervert the facts, at least, I rose on the floor of that alleged caucus—for the Democracy had never had a caucus but a conference heretofore—and I asked if that was a conference of Democrats or a binding caucus. The chairman of that caucus, without the authority from the caucus itself, declared that it was a caucus, and binding.

In obedience to the dictates of my own conscience, my judgment, and my duty to my party and my country, I walked out of a conference in which Democrats were not to have the confidence of the alleged leaders and a plan of secrecy was to be carried out.

Let us see what occurred then. The gentleman from Georgia [Mr. HOWARD], I am informed, realizing that the plan outlined there by the Democratic leader, who had just been chosen, a plan by which every Democrat was to blindly follow a leader in such action as he saw fit to take in this House, asked if another Democrat should offer an amendment to the rules along the same line would it be held as violative of the caucus obligations for Democrats to vote for it? I am informed, for I was not present and know not, that the answer was that such amendments might be made. What was that caucus for, that it had to secrete from its membership the policy of the party to be pursued? To what straits has Democracy come in this House that the Representatives of equal rights in that party can not be taken for a moment into the confidence of its leaders? Who told them to make the alliance that they were proposing to make with the Republican party? Where and whence came their authority? And what developed?

For the very first time on the floor of this House, after the hasty adjournment of that caucus, there was presented by the Democratic leader, after a motion had been made to elect the Speaker, and every Democrat had voted for Mr. CLARK, and nearly all of the Republicans for Mr. CANNON, and Mr. CANNON had been elected, and after the gentleman from Pennsylvania [Mr. DALZELL] had offered a motion to the effect that the rules of the Sixtieth Congress should be the rules of the Sixty-first Congress, and after the Democratic party, voting as a unit, presenting one hundred and seventy-odd votes as against thirty from the insurrection Republicans, had stood against the rules and voted them down, when, for the first time, the organized Republican party in the House had been defeated, what was to come for the consideration of this House, what was to come as an appeal to the intelligence of its membership, what relief was to be offered by this Democratic caucus to their representatives for the emancipation of the American House of Representatives from the domination of a coterie in the majority party.

Let us see what it was. A resolution for the appointment of a Committee on Rules to consist of 15 members; the old rules of the Sixtieth Congress were to be enforced during this session, during the pendency of this great tariff debate, and the disposition of this question under the rules of the House. And who constituted that 15? Sir, for the first time the Democrats in this House were advised, for they had not been informed in the caucus who the committee of 15 were to be. Yet it developed that 9 Republicans, 5 of whom were organization Republicans and 4 alleged insurgent Republicans, and 6 Democrats were to constitute that committee to sit during the vacation and hear proof as to the change of rules. Oh, what incompetency! Should not ten years have been enough to know in what respect, if any, the rules should be changed? Was that the real purpose, or was there an ulterior purpose? Shall the fortunes of the Democratic party through its leadership in this House be committed to the keeping of 9 Republicans and 6 Democrats? Did we expect any such thing to occur? Could it have occurred if Democrats had been consulted in the caucus and the truth made known to them?

What Democrats have insisted on for the party and the country for ten years was against the usurpation and power of the Speaker's chair. Their leaders should at least have been prepared to present to the country those amendments necessary for the protection of the public welfare and the maintenance of the rights of representation upon the floor of the House of Representatives. But, ah, not one word of relief in the language of that resolution.

Let us examine that resolution for a moment and see whether it was wise or not. I would not be understood, Mr. Chairman, as reflecting for one moment upon the political integrity and wisdom, ordinarily, of the Democratic leader and the gentlemen who followed him in that controversy. We know that



mere blind following of admirers in many a campaign has brought defeat. Examine that resolution as a mere matter of policy for a moment and see if it carried out the views of the Democratic party. The demands of Democrats were for immediate revision, not for revision a year hence. The people expected a statement of the reasons why revision was necessary.

It did not come. Do not my friends know that if six or eight months are given that a committee composed of 15, of whom 9 are Republicans—5 organization Republicans, 4 insurgents, and 2 of those insurgents suspected of being with the organization—that the committee would fall to pieces by reason of the party discipline in the Republican party, supplemented by the patronage of the federal administration, if so desired? But if it held together, are they not aware of the fact that it could breed naught but dissension, strife, and party disorganization? Is there nothing more for us to contend for than mere political, factional supremacy? These rules as they are, amended if necessary, are yet rules of the House of Representatives, and they should not be given into the hands of men to toy with and to devise ways and means for House disorganization. When Mr. CLARK offered his resolution, 23 Democrats voted against it and in favor of the motion to amend the resolution made by the gentleman from New York [Mr. FITZGERALD]. Why? Because the minority leader's resolution offered nothing. It made no statement of the case of the party against the rules.

The resolution of the gentleman from New York did offer a unanimous-consent calendar without the consent of the Speaker. It did offer a day for a call of the calendars of the House; it did offer the right of the minority to a vote on a motion to recommit on any bill in this House. It ought to have offered further a remedy for the old cause of complaint about recognition to be made by the Speaker only at his will. It should have offered a remedy for that, but it did not. It might have offered—properly ought to have offered—other amendments, but it did not. But, incomplete as was the Fitzgerald resolution, it presented something to the country as a measure of relief in this House. The other resolution offered nothing.

Mr. GRIGGS. Mr. Chairman, may I interrupt the gentleman from Tennessee?

Mr. MOON of Tennessee. I yield to the gentleman from Georgia.

Mr. GRIGGS. Mr. Chairman, does the gentleman from Tennessee know the fact that three out of those reform Republicans on the committee voted for JOSEPH G. CANNON for Speaker?

Mr. MOON of Tennessee. I imagine they all did, but I do not know.

Mr. GRIGGS. And does the gentleman from Tennessee further believe that any number of Democrats-elect to Congress have the right to bind any other number of Democrats-elect to Congress to a fusion with any party or any part of any party?

Mr. MOON of Tennessee. I had hoped that I had expressed my views upon that question sufficiently strong to show my position or will do so.

Mr. Chairman, the policy pursued was not wise if victory was the object. Let us look a little bit further and see the underlying purpose. Was it a desire to make an honest reform in the rules of the House of Representatives, or was it to secure through this new committee—this mongrel committee to which the fortunes of our country and party were committed—a committee on committees, by which every man in this House of standing to-day, in any position of rank or credit on committees, would be overthrown by this new and unprecedented secret movement?

I do not say that is true. I say there are those who suspected that it was true. Let us see if, in view of the facts, the suspicion was in a measure justified. The Clark resolution met defeat. The Fitzgerald resolution was carried. What then? Did the leader take advantage of the situation? Did he not know that the Democrats to a man had voted against the old rules? Did he not know that the insurgents had voted against them, and that those rules had gone down before a triumphant majority in this House? He did not press the contest. He did not propose other necessary amendments. Why did he not proceed to further amendment? It was not fair to the allies. It is true that they had been defeated in one contest, but was he not prepared to trust them for another? The result of the contest was a triumph for the revision of the rules. Who are the allies? Are they honorable allies, or are they men from whom hostages must be taken for good faith? Can they not be trusted?

Were they like the barbarians, willing to stand for one contest only and then flee unless driven to the struggle before the battle-axes and javelins of a Tenth Legion? Ah, no; you did not trust them. You do not trust them to-day. If they are ready to stand, rally your forces, and every Democrat in this

House will stand with them for the abrogation of the rules that are still obnoxious.

They tell us there was no ulterior purpose. I do not say there was. But look further and let us see what occurred. The second caucus met hastily, not for the purpose of devising new means and methods, not with any intention to press the victory that a portion of the minority had won—a victory not the result of a combination, not coming from contaminated political alliance. What did they do? They passed resolutions of indignation. They denounced every Democrat who had stood for something and who had opposed inaction and inefficiency in the party. They denounced the Democrats who had stood by the national Democratic platform and demanded relief for the American people's representatives, not twelve months hence, but now, on this bill under consideration.

Ah, what was that resolution? We will discuss it, in view of the suspicion that has been suggested. They solemnly resolved in caucus that no Democrat should accept a position on a committee in this House to which he had been appointed by the Speaker of the House of Representatives without consulting first and obtaining the consent of the Democratic leader. What does this mean? Escape it if you can. Does it mean that you have surrendered your individuality? Does it mean that you have surrendered your rights as individuals into the keeping of the gentleman from Missouri [Mr. CLARK]? The public will unquestionably so conclude.

But it might be well for gentlemen who had pressed upon the gentleman from Missouri [Mr. CLARK] a losing conflict to give up their rights into his keeping, for he is a very competent and good man, against whom I have not the slightest feeling and for whom I have the greatest admiration. It might have been well for these gentlemen to have turned over their power; but why should they attempt to turn over the power of men that have not agreed with them? Why should they denounce men as traitors to the party who have stood for Democracy in its purity and the platform of their party in its integrity?

Let us analyze this case a little further. It meant—and there is where the serious question comes—not the mere surrender of individual's rights, but the surrender of the representative rights of the people upon this floor. How dare you surrender to any man or to any party your conscience or the representative power delegated to you by your constituency upon this floor? Is it wise, gentlemen? Do you now, after the lapse of two or three weeks, feel that your action was considerate? Ah, that resolution meant more. What! Accept no position in the organization of this House without the consent of one man? Tell me if that is Democracy! That is the result of unwise political fusion. You meant to say, then, did you—that is what the resolution means in its last analysis—that you refused to obey the law of the land; that you refused to perform your duty as representatives in pursuance of appointment by the Speaker, the only lawfully constituted authority to make that appointment? Ah, you put yourselves outside of the pale of law. In your desire to express your enmity to those of your own party who disagreed with you, in your hatred of the Speaker, you declare yourselves for a programme of lawlessness and revolutionary conduct in this House.

Suppose, indeed, that Mr. CLARK should tell you not to perform those duties. He is a man of too much sense and integrity, I think, to do that; but assume that he said to you when appointed upon an important committee, "You shall not discharge the duties to which you have been assigned by virtue of the law of the land." What answer would you make to your constituency on your return, when they said to you, "We sent you to the American Congress, where great local and public interests were to be guarded; we sent you as a man of conscience, of honor, and judgment; a man whom we thought would preserve the integrity of our institutions and the purity of representation in the House of Representatives. Why did you refuse to perform public service? Why did you agree to disobey the law of the land, like a criminal? Are you in a conclave, are you in the society of outlaws, or are you standing in the interests of a great constitutional party, contending for the liberty of the common people on the floor of the House of Representatives?" Ah, your answer can only be, "Mr. CLARK told me I could not do it, and I did not."

Will it be satisfactory, will the great and brave American constituencies consent for their Representatives to yield their individuality, their representative power, to any man? Shall you yield to a mimic czar of mock sway? Is this the part of Democrats? I think not. These things might all be said of you. Do not you feel, in view of the attitude you are in, in view of the position you occupy before your country, in view of your defiance of the principles of your party, that you ought to wipe from the records of your party caucus that dis-

honored and dishonoring declaration that no man shall serve his country in this House save at the behest of the minority leader?

Again, was there a well-founded suspicion that an ulterior purpose existed—the purpose of reorganizing the committees of this House and overriding the precedents of a century? I can not believe that any such purpose existed. But I do say that the facts justified men, whether the merits of the situation did or not, and I insist that they did, in withholding support for the time from an unauthorized caucus dictation.

Review the facts, will you? See the caucus, the election of its chairman, the election of its minority leader, the election of the secretary, the secrecy of the purpose. A gentleman rises on the floor, presents a resolution that did not accord with the established policy of his party, forces by action of the caucus its adoption. The caucus adjourns, its members still in ignorance of what was to be done except to obey the leader. The leader presents to the House for the first time a resolution that meant nothing except the establishment of a committee of 15, 9 of which were Republicans, names not known before; unwilling to trust the allies in a second vote; the denunciation of Democrats who had disagreed; and at last the humiliating, dishonorable, contemptible, and pusillanimous suggestion that a Representative upon this floor should not perform his duties except at the behest of a single man.

Gentlemen, these facts and circumstances speak to you, particularly in connection with the fact that nothing was to be done for twelve months; the old rules should remain in this Congress, the language of suspicion. Does it not indicate to you a well-founded suggestion of an ulterior purpose?

I said you are not guilty, notwithstanding these facts pointing strongly to your guilt. Why? Because of the existence of that rule of law applicable alone to circumstantial evidence that if there exists any reasonable hypothesis consistent with your innocence and facts proven, then there must be an acquittal; and that other most merciful law of the land, that city of refuge to which the law in its mercy permits men to flee when almost proven guilty, but not quite—the citadel of reasonable doubt.

Will you go to this asylum, will the American people attach to you forever the ignominy and disgrace of trying to destroy the lawful organization of the House by illegitimate and improper methods, by a coalition which you did not dare to trust to your fellows? Shall the Scotch verdict be rendered, "Guilty, but not proven."

What next? Let us see. They met again in caucus. Wonderful caucus! King Caucus would be triumphant. They meet. What for? To consider further methods for the alleviation of the House from the condition it is alleged to be in? Not so; but by solemn resolution, notwithstanding the attitude in which they were placed, they resolved that they disavow the acts of 23 men who voted for something and against nothing, on the question of relief in the House of Representatives.

You do well to disavow that act; but disavowal was to be expected. The action of the twenty-three stands clearer and brighter and more patriotic in the light of disavowal of a dubious coalition, an angry and intolerant minority. But you made the rules, did you? Never before had you caucus rules. You confessed then, that very night, that you needed caucus rules to bind the conscience of men who would not submit to the dictatorial power of one man or of a coterie of men within the Democratic party. Did you say that we had violated any pledge? No, no. You dared not say it, because it was not the truth. No pledge had been made, no caucus rule had been made, therefore there was none to disobey, and, for one, I was not within the portals of that caucus. But you did say that we had voted in conflict with your views. Yes; in conflict with your views did we vote, and when the independence of this House and the independence of these Representatives on either side is so crushed that men can not stand for their representative rights and their conscientious convictions of duty, indeed, have evil days fallen upon the Republic.

While I am talking I may just as well speak of some other matters. Who is it that makes these denunciations? Who is it that loads the press with these false insinuations? Men who have always been true and loyal to the party? I think not. Looking over here, I can see those who one day voted against the Loud bill on this floor, Democrats who stood firmly and bravely against the throttling of the country press of the Republic; but in the very next Congress, when the identical question was up, voted exactly and spoke exactly on the other side of the question. Did we question them? Did we question their motives or integrity? No. We accorded that right which belonged to every one, to vote and act and speak as he believed to be right regardless of what may have occurred. Again,

these gentlemen are solicitous, some of them, of the integrity of the Democratic party in organization. Tell me, did you not stand on this floor and vote for that most consummate of public plunderers, railway subsidies; and who called in question your honor, though, indeed, men differed very seriously upon that question? Again, in violations of the policies and the doctrines of the party, there are some who have voted twice within my knowledge for a ship subsidy and some who have supported it all along.

Are these men the only guardians of my party and my party's interests? Are they safe advisers of a cohesive and powerful party that has for its base that democracy which rests upon the Constitution and the Declaration of Independence of my country? Ah, you have made a mistake. Go back to your constituents, honestly confess that mistake, and then if, indeed, you want our assistance we will not denounce you as traitors to your party or your country, but we will say to your constituents—not like you inferentially say to ours, that we are not worthy to be returned to this House—we will say to them, they are good men; they have made these mistakes; forgive them, for they knew not what they did. [Applause and laughter.]

Are you ready now to take up the battle-axes of democracy? You know that every Democrat voted against the rules. Will you lie supinely and press not the victory? Are you not willing to stand by your allies on the other side, or have they so soon deserted? You can not remain in a position of inertia without a confession of utter incompetency and inability to control the affairs of this House. There are 80,000,000 people in this country devoted to the principles of free government, and in my heart of hearts I believe the vast majority of the American electorate is ready to support the Democratic party if among its leadership there can be found the slightest betrayal of a desire to return to common sense.

Ah, yes, I am not against organization. I am for organization, firm, compact, indissoluble organization; an organization not in secret; an organization that will call every Democrat upon the floor of this House into its councils; an organization in support of the principles and policies of my party, resting on the Constitution of my country, to the honor and glory of the Republic, and for the preservation of life, liberty, and property. Give us an organization that will stand for individualism; an organization that looks upon the common citizen as the only lawful sovereign of a great republic; an organization that will drive from its council boards those twin scions of a bastard democracy, federal paternalism, and state socialism. Give us a democracy that will stand for law and order, a democracy that will stand for the equal rights of men on every foot of American soil. Give us an organization, if you will, so great and so powerful that it will hold forever ajar the gates that lead to the temple of American liberty and justice; that will permit every man to pass its portals and stand proudly erect under the emblem of his country's power and under the Constitution, as the shield of the Nation's liberty, which will protect him in all the rights of citizenship; an organization that will permit no one to minister at the sacred altar of justice who loves not his country and his fellow-man. [Applause.]

Mr. KENNEDY of Ohio. Mr. Chairman, I have listened with the most intense interest to the speech of the gentleman from Tennessee [Mr. Moon], who has just concluded his address. As I sat here and listened to that speech there kept running through my mind that old psalm—

Behold how good a thing it is,  
And how becoming well,  
Together such as brethren are,  
In unity to dwell.

Apropos of the question he was discussing—the rules—I do not think that when we are reading the history of this session—

Mr. CLARK of Missouri. Mr. Chairman, I want to suggest to the gentleman that he did not get his quotation right.

Mr. KENNEDY of Ohio. Maybe not.

Mr. CLARK of Missouri. The proper language is—

How good and how pleasant it is for brethren to dwell together in unity.

Mr. KENNEDY of Ohio. I quoted Watts's version of it.

Mr. GARRETT. May I ask if the gentleman applied it to his side of the House or ours?

Mr. KENNEDY of Ohio. To both sides. It is applicable to both sides. But apropos of this question of the rules, which the gentleman so ably discussed. Even the friends of the Reed rules have never regarded them as anything but a necessary evil. We endured them just as a man who is vaccinated endures the sickness that follows vaccination in order that he may escape that which he dreads much more, the terrible scourge of smallpox.

You upon that side of the House have declaimed against the Reed rules in the most strenuous way for the past twelve



years, until your party wrote into your platform a declaration of what you were going to do when you got an opportunity to change them. But when your opportunity came you were as unprepared as were the foolish virgins. You realized then that it was easier to criticise than to reform. You had absolutely no concrete change for the better that you could recommend—only the suggestion that we should debate them for six months longer. Your leader stood upon the floor of this House covered about by darkness and uncertainty, and had not a single drop of oil in his lamp. Then when you were saved from utter confusion by the gentleman from New York [Mr. FITZGERALD], who proposed certain amendments to the rules that I do think relaxed those Reed rules at a point where the rigidity of the rules produced the most friction, most irritation, you upon that side of the House voted against them.

Now, I did not, however, rise to talk about the rules, but can not refrain from saying that it would be impossible ever to pass a tariff bill in this great assembly without rules to control the discussion here. Without those rules we would be talking, talking, talking a year from now with nothing done.

I am like the gentleman from Washington [Mr. CUSHMAN]. I am a protectionist. I was reared in an environment of protection. I represent a district which was once represented by McKinley upon the floor of this House. We are protectionists there. We believe in that same principle which McKinley so ably advocated and wrote into our tariff system.

Gentlemen upon the other side of this House are continually talking about the law of supply and demand and that all tariffs ought to be placed upon a competitive basis. The protectionist is not troubled about the constitutional power vested in Congress to, by a revenue bill, do many other things than merely to raise revenues. By a tax law, the primary object of which was not to raise revenue, we put out of circulation a character of bank currency which the people wished to have retired, and we, as Republicans, believe that we have ample power to and ought to stimulate production within our country by limiting the zone of supply for our internal demands. Thus we have and do, every time the Republicans pass a tariff bill, modify and amend that old law of supply and demand. The Dingley bill was an amendment to this law of supply and demand about which Democrats are forever talking. The great apostles of protection in this country have said that by limiting the zone of supply we would indefinitely increase the production of certain articles so that the supply would equal the demand. The Dingley bill was such a bill, and how it carried out and verified the predictions of the old Republican masters!

The Dingley bill has been criticised by the able gentleman from Alabama because, as he said, in the year 1905, while there was only a little over \$500,000,000 worth of goods affected by certain schedules, which he criticised as prohibitory schedules, which were imported into this country and upon which the Government received a revenue, there were over \$13,000,000,000 worth of such commodities manufactured in our country. By the clearest inference in the world, it was and is admitted by the opponents of the protective principle that production was wonderfully stimulated in all these protected articles which were produced within the restricted zone of supply by this legislation, which did amend the law of supply and demand. Do gentlemen upon the other side, for the mere purpose of getting a larger revenue out of these schedules, wish to close down the great American factory—reduce its output so that the demand for manufactured goods in America shall be met and satisfied by goods produced by the labor of strangers living in other lands? To what extent would they increase the zone of supply? What aliquot part of the \$13,000,000,000 worth of manufactured goods which we now produce would Democrats take from the iron and steel workers of my district and yours, to have those goods manufactured in some other country and shipped in here so that we could get some revenue by the change?

The law of supply and demand has been amended by the Dingley bill, and the question of paramount interest now before the American public is: To what extent this law of supply and demand as amended shall be changed in this new legislation, and to what extent shall we give the splendid markets of our country to the manufacturers of other lands to stimulate importations for the purpose of raising revenue. Shall we throw down our barriers of protection so as to permit a large or a small percentage of those articles, the manufacture of which furnishes labor in the cotton mills of New England? Each section of the country, while considering the subject of the readjustment of the tariff, wishes to be favored, and feels that it is its right to have its supply first taken to meet the great common demand which we call the American market. Representatives should be actuated by the spirit of reciprocity and should

not forget the needs of other communities, and the Payne bill should be so framed before its passage that it should not needlessly disturb and injure any great industry which has had the benefit of protection. It is a law as universal as the law of supply and demand that production increases as the demand becomes greater. The Dingley bill restricted the zone of supply for all those goods which were highly protected in that bill, and as the demand increased production increased. Many industries drew to them capital and laboring men who, through a long period of years, have trained themselves until they have become skilled in their art, and until we were able, wholly within our own boundaries, to produce sufficient to supply the whole Nation's demands.

It does violence to every sense of fairness which I possess to hear people on this floor talking now of changing again this law of supply and demand for the purpose of bringing goods from other lands merely for the purpose of getting revenue upon them. I do not believe that any effort should be made to place our protected industries upon a competitive basis. The competition which foreign goods in those lines of production where we can and ought to produce all that we consume has never benefited anyone and always has been productive of industrial unrest and discontent, so that when prices have been reduced by the influx of foreign goods into our country, those great factories, workshops, and mills, where labor is all organized in this country, where it is rightfully contending for its just dues in our civilization, industrial war commences. When we have home competition, labor and capital have been able to go forward in peace. They adjust their differences without trouble. But when menaced by foreign goods, there comes a danger which they can not anticipate or measure; then naturally and necessarily follow misunderstanding and disagreement about the raising or cutting of wages. I say those things for the reason that I am profoundly impressed with the great importance that rests upon us in the duties which now confront us. The interests which have been highly protected under the Dingley bill have adjusted themselves to that law. They have invested money in accordance with it. They have generally entered into a fair and generous rivalry, which we call "home competition," and now any change which we make from the schedules in the Dingley bill affecting these interests should be made with the greatest care.

Opponents of the principles of protection forever contend that protection necessarily enhances prices. They give entirely too much credit to the importation of foreign goods for lowering prices in the past.

The encouragement by past legislation of great manufacturing enterprises has all along the line lowered prices of such articles in this country to a point where now it can be asserted with confidence that never before in the history of this country was the price of like articles so low in comparison with all other articles of value as it is to-day. When I left home to come down to attend this session of Congress a farmer could exchange 4 pounds of butter for a hundred-pound keg of wire nails; 40 dozen of eggs would buy a ton of pig iron. It almost seems that one would be better off to own a little chicken farm near some great industrial center than to own a blast furnace. A farmer out in Nebraska is said not long ago to have gone to a general merchandise store to purchase a buggy. He was shown a very nice buggy, and told that its price was \$62. He said: "I bought a buggy like that in 1896 for \$50." This was promptly denied, but the farmer insisted that he was right. The storekeeper consulted his books and returned, saying he was mistaken, "but you paid in exchange for that buggy 500 bushels of corn at 10 cents per bushel. Corn is now 60 cents per bushel, and if you will bring in 500 bushels of corn now I will give you that buggy at \$62. I will give you a sulky cultivator at \$25, I will give you a reaper and binder worth \$125, I will give you \$50 in money, and I will have still \$38."

There is abundant evidence that in every line of merchandise that is imported into this country the importers are most thoroughly combined, and, as in the case of pottery, other prices are most exorbitant where we have not home competition. We are, then, at their mercy absolutely, and they do exactly what the Government of Brazil is now doing with respect to coffee. Brazil substantially has our coffee market, and believing as they do that we must buy our coffee from them, they are putting on coffee an export duty, and the limit of their extortion will be reached only when the American consumer refuses to use Brazilian coffee. This fact justifies the countervailing duty upon coffee.

Mr. Chairman, it has been contended on the floor of this House that there was some pledge of the Republican party to revise the tariff downward, and if that understanding had not gone broadcast all over the country that we would have failed in the

last election. That is not my experience. I was right in the great industrial center in this country and I know that the Democrats upon the stump all over my State and all over that section of the country attempted to make the people there believe that there was no difference between the two parties upon the subject of the tariff. It was the burden of every Democratic speech made in Ohio.

True, the platforms of the two parties were somewhat alike, both declaring for revision, and the contention upon the part of every Democratic speaker through that section of the country was that our platform upon that subject was the same as the Democratic platform; and we were being thrust backward, were in retreat, defeated, until the ambiguity of our platform was resolved and made certain by the great representative of our party. And I want to call attention to the situation at that time in the contest.

Secretary Taft, now President Taft, in his speech said that the Republican platform in declaring for a revision meant that where the tariffs were too high they should be revised downward, and where they did not afford sufficient protection they were to be revised upward. That made definite and certain what the Republican party meant at a time before the votes were cast. I immediately saw a different look upon the face of the man who was carrying his dinner pail to work from that time on. There was a change. You could feel it in the air. I deny that there is a sentiment abroad or that that sentiment is at all dominant in this country, to depart one iota from the principle of protecting American interests.

The protective feature of a revenue bill performs the function of a barrier or wall to prevent the coming in of goods. Where our tariffs should be protective the greatest care should be exercised in keeping them high enough; when they relate to these things which our people should produce they should be prohibitive. I fear that in making reductions that the Ways and Means Committee have given too much weight entirely to the statements with reference to better equipment of the factories and mills of this country than in the mills of Europe. Much emphasis is placed upon the ability of our manufacturers to sell at low prices because of the excellent character of the machinery they have, although they pay a high rate of wages, and no one seems to consider at all the fact that Europe is rapidly equipping its great plants with our machinery, copying our methods, and will in a short time have every advantage we have in the way of labor-saving devices. To base a tariff that is competitive upon the actual cost of production now, when we are using the very best of machinery, and the mills of Germany and Belgium not having yet discarded that which they are about to throw away and adopt our better ones, is, in my judgment, very careless legislation.

It is almost sure to bring to our protected industries a competition that will prove ruinous in a short period, indeed. It is a matter of most vital importance that the bill we are now preparing should be prepared with a distinct reference to this thought, else it will have to be revised in a few years again, and revisions of the tariff always will bring on business uncertainty and depression. If I am correct in the position I have urged to your attention, that in those industries which we determine to protect tariff rates should be high enough to keep out foreign goods, it becomes imperative that our revenues be derived upon other articles upon which it is our policy to levy a tariff for the purpose of raising revenue and giving incidental protection. Taxation is always distasteful. No one cares to be taxed, but it is necessary, and it will produce far less dissatisfaction if revenues are raised upon goods which compete in the market with our own products, either of a class of which we can not produce sufficient for our demands or, like iron ore, taken from our natural resources, which will never reproduce itself, and which should be our policy to conserve for future generations.

I think that the wool schedule is all right. It is upon a revenue-producing basis and gives incidental protection. That is true also of the tariff upon lumber. It is practically upon a revenue basis as carried in the Payne bill.

I believe we should place a tariff on iron ore great enough to get considerable revenue from that source, and low enough so that not a ton of ore from Cuba may be excluded by reason of it.

Both coal and hides should stay, in my judgment, in this class, and should be taxed for the purpose of raising revenue. Many people in the United States earnestly ask their retention upon the protected list; and a tax raised in this way will have some friends, at least, whereas to raise the revenue upon tea and coffee would meet with universal disfavor.

I took occasion to address the House, because I believe that certain changes should be made in this bill. I want to express

my approval in the main of the bill that the Ways and Means Committee have presented to the House, but I think its best features are where it kept closest to the Dingley bill.

I invite the committee's attention, first, to a section of this bill which I believe ought to be changed. It is section 116, under Schedule C—"Metals and manufactures of." The bill, as written, provides for a tax on iron in pigs coming into this country of \$2.50 per ton. The Dingley bill provided \$4 per ton on pig iron and scrap iron of every form. Now, this bill makes a difference between pig iron and scrap iron. It says:

Wrought and cast scrap iron and scrap steel, 50 cents per ton.

Every pound of scrap iron, either cast or wrought scrap iron that is remanufactured takes the place of pig iron. Every pound of wrought-iron scrap and cast-iron scrap supplants so much pig iron.

I have read the hearings of the Ways and Means Committee on this subject, and the committee evidently allow a difference between pig iron and scrap iron because certain manufacturers insisted that there was a lack of wrought scrap iron in our market.

The great percentage of all the iron that goes out to be used will come back in six, seven, or eight years to be remanufactured. Thousands of tons of railroad rails will return after the lapse of about seven years. Seven years is about the average life of a steel rail, and it will come back into our scrap-iron market. The manufacture of open-hearth steel requires a certain percentage of wrought iron or wrought steel. The idea of the committee in framing this schedule as it is framed was to afford sufficient scrap iron to help the manufacturers of open-hearth and basic steel to have sufficient scrap iron for them to carry on their operations.

It seems to me that if there is anything that is just and fair, it is to afford those people who use steel rails and who are compelled to buy their steel rails in a protected market, a protected market in which to sell their scrap. There will be an abundance of it. The matter came up in the committee in its hearings, and the pig-iron manufacturers did not seem to suspect that there would ever be a disposition to make any difference between pig iron and scrap iron.

There is another thing that evidently escaped the attention of the committee. The language in this bill is: "Iron in pigs." I call the attention of the committee to the fact that every provision in a tariff bill is construed most favorably in favor of the importer. Every taxing law belongs to that class of laws, which are strictly construed. It is a law in derogation of private right, and is strictly construed. If there be even any ambiguity, it will be resolved in favor of the man paying the tax. If there be two meanings, that meaning must be accepted which is most in his favor.

This bill says, "iron in pigs." Most gentlemen know how pig iron is manufactured. Now, the blast furnaces in Europe importing pig iron into this country would simply run its metal into some other form—break it up into scrap—and it could not bear the duty on "iron in pigs." I think an amendment should go through, correcting this.

Mr. GARRETT. May I ask the gentleman, have not there been decisions clearly stating and defining what is scrap iron?

Mr. KENNEDY of Ohio. Yes; this bill defines what scrap iron shall be. There is no trouble about that. But the metal that I speak of, being broken up and brought in here, if it is not taxed the 50 cents tax as scrap iron it will not pay duty at all.

Mr. GARRETT. Is it the gentleman's contention that under this bill iron can come in here that had not really been manufactured in some product?

Mr. KENNEDY of Ohio. Yes, sir; it would come in here and pay a duty as scrap or come in free. That is my judgment. It could not pay a tax as "iron in pigs," because they would take care that it had never been molded into pigs. That is the point I make.

Now, on page 28, there is a proviso, on line 8, paragraph 118, which is:

*Provided further,* That all iron bars, blooms, billets, or sizes or shapes of any kind, in the manufacture of which charcoal is used as fuel, shall be subject to a duty of \$6 per ton.

The old duty, in the Dingley law was \$12, and this reduces the tariff on charcoal iron bars from \$12 to \$6, while it leaves the ordinary merchant bar iron at \$8.

Now, the only thing that I can find in the hearings that would seem to justify so extraordinary a change of law, placing this higher grade of iron below the ordinary merchant iron, seems to be a letter which I find on page 1944 of the hearings, of Mr. James A. Coe, an importer, I take it. He is called an "iron and steel merchant," of Newark, N. J. The point he makes in his letter is that Swedish iron smeltered by the use of charcoal



is necessary to make our high grade of cutlery, and therefore that it ought to come in free. Now, this matter seems to be one that was overlooked by these people who have, in this country, been manufacturing iron by processes that make as good iron as charcoal iron and as good iron as the Swedish iron. The new process of making steel, known as the "basic and open-hearth process," makes as good iron as the Swedish iron by keeping out of the metallic iron the impurities that are brought into it by smelting the iron with coal.

Phosphorus and sulphur in coal depreciate the value of iron. By the basic process of making steel the heat is blown down on top of the iron, and the sulphur and other impurities do not pass into the steel at all. So that by our modern processes we make as good iron as they can make in Sweden or anywhere else by the charcoal process. I think that that should be corrected, because in making changes from the Dingley law they ought to be made in a sort of uniform way, so as not to misadjust and make trouble for the manufacturers who make steel by the open-hearth and basic process. If any industry in this country should be protected, it should be those using new methods, which are being perfected every day.

There is one other thing I would like to call the committee's attention to. When the Dingley law went into effect there were a great many tin-plate mills started in my district.

A great industry was built up. Thousands of men learned the trade of making tin plate. I think, perhaps, capitalists and workmen overestimated the needs of this country in the matter of tin plate. At any rate, the tin-plate mills throughout the North are idle a greater part of the year than any other mills we have that are interested in the iron trade. The laboring men come through me with a petition to this House. They ask the American Congress to amend this bill so that one-half the rebate paid on tin plate manufactured into cans and sent out again shall be retained, and it seems to me that their appeal is reasonable and that it ought to be acceded to. They tell me that they are willing to throw off 25 per cent from their scale of wages if the Congress will only do this, to help them to manufacture the tin plate that goes into export tin. Tin cans are made from the tin plate that is brought into this country. There is scarcely any labor in making the tin cans. A machine has been invented and is in operation which is so perfect that all the work that is done is to feed the tin plate into the machine. An engineer, a fireman, and one man to feed the plate into the machine and another to take the completed cans away as they come out completely made, soldered up, and everything, is all the work there is about it.

There is another thing that I want to call to the attention of the House.

Mr. JOHNSON of South Carolina. Before the gentleman leaves that tin-plate proposition I should like to ask him who gets the benefit of the drawback on tin cans?

Mr. KENNEDY of Ohio. Do you want that answer from a Democratic standpoint or a Republican?

Mr. JOHNSON of South Carolina. No; I want the facts. I do not care what standpoint it is from.

Mr. KENNEDY of Ohio. It is the same old question. I would say to the gentleman—

Mr. JOHNSON of South Carolina. I am not talking about consumers and producers, but I want to know who the people are that really get this tin plate manufactured into cans and send it abroad. Is it not the Standard Oil Company?

Mr. KENNEDY of Ohio. I am told that they are the exporters of 85 per cent of the tin cans that go abroad. Now, I have no definite knowledge on that subject, but it seemed to me that that was an overestimate. I know there are a great many cans that go abroad from the different canning establishments throughout the North. A great many are used by the meat packers, and I know that the export tin, going from this country back to Europe, is very considerable.

Mr. STANLEY. Mr. Chairman, will the gentleman yield for a question for information?

Mr. KENNEDY of Ohio. Certainly.

Mr. STANLEY. What would be the effect on the manufacture of cans, especially by the Standard Oil Company, if these rebates were cut in half? Would the oil be shipped abroad in large tanks and put into cans in foreign countries, or would they necessarily be forced still to put it in cans here?

Mr. KENNEDY of Ohio. I hope they would be forced to put it in cans here, but I do not know. It seems to me there would be no economy in putting their oil in cans here. But having those cans made here is of no advantage to this country, or very little; it is negligible. The labor expended in making the cans amounts to nothing, and we are paying out more in administer-

ing this tariff that we collect than the 1 per cent which we retain.

Mr. BARTLETT of Georgia. You mean this tariff which we collect and pay back?

Mr. KENNEDY of Ohio. Yes; it costs far more to administer the law, so far as the export tin is concerned, than we get out of it; and I think it would produce more revenue to retain 50 per cent, or a larger per cent, at all events, than we now retain.

Mr. YOUNG of Michigan. Do we not also get the benefit of the manufacture of the tin plate from which the cans are made?

Mr. KENNEDY of Ohio. That is what I want. If a rebate is not given to so great an extent on this tin plate, we will make the tin plate here.

Mr. YOUNG of Michigan. But if the effect is to transfer that industry across the water, we will not only lose the making of the can, but the making of the tin plate from which the can is made.

Mr. KENNEDY of Ohio. We do not make the tin plate now, not a particle of it.

Mr. YOUNG of Michigan. Oh, we do not produce the tin, but we make the tin plate.

Mr. KENNEDY of Ohio. Not a bit of it that the Standard Oil Company uses. Not a bit of the tin in the cans that go abroad is made in this country. All that tin plate is shipped in from abroad. The tin plate that we make is for domestic consumption. There is \$1,300,000 of tariff collected on tin imported into this country, and all except \$100,000 of that money is paid back when it is exported again in the form of tin cans, by the Standard Oil Company and by the beef packers and the other canning establishments that send peas and corn and products of that kind abroad.

Mr. YOUNG of Michigan. Does the gentleman mean that no American tin plate is used to make cans that are sent abroad?

Mr. KENNEDY of Ohio. Not a particle. Nobody would use American tin with such a law as this. They do not use a single pound of American tin to export abroad.

Mr. MANN. Will the gentleman yield?

Mr. KENNEDY of Ohio. Certainly.

Mr. MANN. I think the gentleman would hardly want to go as far as he appears to go in saying that no domestic tin cans are exported.

Mr. KENNEDY of Ohio. I mean no appreciable amount. There may occasionally be a can go over in some fellow's trunk.

Mr. MANN. Oh, a great deal more than that. I suppose that what the gentleman is endeavoring to show is that the tin plate imported is all exported, although I have no doubt from my own knowledge that a large amount of tin cans are shipped abroad which are made of tin plate of domestic manufacture.

Mr. KENNEDY of Ohio. Possibly so, but I doubt if there is any considerable amount of domestic tin that goes abroad.

Mr. MANN. The gentleman said that 85 per cent of the Standard Oil Company tin plate—

Mr. KENNEDY of Ohio. Eighty-five per cent of imported tin, I said, goes to the Standard Oil Company.

Mr. MANN. But there are a great many other concerns that use tin plate now on a large scale.

Mr. KENNEDY of Ohio. I do not believe that that statement of 85 per cent being used by the Standard Oil Company is correct. It seems to me the number of cans used by packers of meats and fruits and cereal products is so considerable that that must be a misstatement. It would be of great benefit to the workmen in my district if they might make the tin plate that goes into the meat packers' cans and into the cans of the different canning factories that are exported abroad.

Mr. GARRETT. Will the gentleman yield?

Mr. KENNEDY of Ohio. Certainly.

Mr. GARRETT. Would not that principle hold good throughout the manufactures; and if the drawback provision ought to be amended in regard to tin plate, ought it not also be amended as regards all of the manufactures, from a protection standpoint?

Mr. KENNEDY of Ohio. Not in the same way. There are things that come in where the principle would be different. There might be iron and steel come to this country for the manufacture of a ship and the work be done in our great yards, and as to that material to manufacture the ship it would be as much in line with our policy of so amending and changing the law of supply and demand as to compel the work to be done here. Now I would not urge this at all if the manufacture of tin cans amounted to anything in the way of encouraging American labor or bringing work here for them. It is only because there is no labor furnished by these manufactures here, or so nearly none that it is negligible. Take the item of machinery brought back to this country to be repaired—that is in accord

with the policy of our party in framing a protective tariff; we want to compel, if need be, certain things to be made here.

Mr. STANLEY. Will the gentleman yield?

Mr. KENNEDY of Ohio. Certainly.

Mr. STANLEY. I see that the gentleman is thoroughly acquainted with his subject, and I am very much interested in it. Speaking accurately, there are two kinds of tin plate used in this country, plate that is used for domestic consumption and that used for foreign export.

Mr. KENNEDY of Ohio. They are the same kind of plate, I believe.

Mr. STANLEY. One is tin plate and the other is tinned plate.

Mr. KENNEDY of Ohio. There is no tin plate in the sense that it is all made of tin. All tin plate is simply a steel sheet coated with tin.

Mr. STANLEY. Is there not a vast difference between the process used in the plate for export and the process used in the plate for domestic consumption, in the quantity and character of the tin used in the covering for the steel sheet?

Mr. KENNEDY of Ohio. Not that I know of. They make tin plate in Wales the same as we do here, and we make it here the same as they do in Wales. We started to make tin plate by employing skilled workmen from Wales.

Under the Dingley bill all exporters of anything that was packed in tin got their tin plate from Wales, paid the duty, made their tin into cans, filled the cans, sent them back, and drew the money back, all but 1 per cent.

Now, if this bill can be amended so that this tin plate, or a considerable portion of it, can be made here, it will start our idle tin-plate mills to work again; and I think, under all the conditions, it should appeal to every man on this side of the House that that should be done.

Mr. GARRETT. If I understand correctly, the distinction between the tin that is exported and the other products that are exported is largely in the fact that the tin is not exported for sale abroad, but to carry within it some of our goods, while boots and shoes, for instance, are exported to be sold abroad.

Mr. KENNEDY of Ohio. That is a fact.

Mr. COX of Indiana. Will the gentleman yield for a question?

Mr. KENNEDY of Ohio. Yes; certainly.

Mr. COX of Indiana. I am intensely interested in hearing that drawback section of the law discussed. As I read section 23 of the law, it gives to the ship manufacturers in this country the right to import free raw material and work it into a ship for foreign ownership, or a ship that is to be sailed in foreign trade and under foreign flags. That is correct, is it not?

Mr. KENNEDY of Ohio. Yes.

Mr. COX of Indiana. Does not the gentleman believe that the same law should give the shipbuilders in this country the right to have free raw material to build ships for American ownership and to sail under the American flag?

Mr. KENNEDY of Ohio. No.

Mr. COX of Indiana. In other words, does not the gentleman believe that that is a discrimination in favor of the foreign owner of the ship or the foreign trade, as against the American shipowner or American trade, and free raw material is given to one and not to the other?

Mr. KENNEDY of Ohio. We are all tied up together. If this policy of the Republican party is at all tenable, every interest must submit to it. The shipping, the ships that carry the trade of this country and carry the American flag, ought to, as much as any other interest in the country, patronize and employ the materials that are made by workmen of Youngstown and Pittsburg. If it is at all tenable that is so, and I believe its justification is the fact that we do so control the law of supply and demand that we can and ought to make this country prosperous when they have hard times and panics in other countries. I believe that if it is worked out carefully by studious men, in a scientific manner, there is no reason why we in America should be plunged down to the depths every time hard conditions afflict Europe and the rest of the world. America is an empire in herself. We would do mighty well if every other country in the world would sink to-morrow beneath the sea. We could live in and of ourselves and by our own resources, and to allow cheap goods to come in here and plunge us into hard times, make strikes in our factories, and paralyze operations here is not statesmanlike. I believe in a protective tariff.

Mr. COX of Indiana. I am not trying to bother the gentleman, Mr. Chairman, but I am trying to elicit information if I can get it. Will not the gentleman agree to this proposition, then, that if the shipbuilders in this country get free material to construct and build ships for foreign ownership, or to ply in foreign trade, that is giving to that class of people a cheaper vessel over the American owners?

Mr. KENNEDY of Ohio. Certainly; there is no question about that.

Mr. COX of Indiana. Does the gentleman believe that is right, to discriminate in favor of the foreigner as against the American?

Mr. KENNEDY of Ohio. We get even with the foreign vessel by keeping her from engaging in our coastwise trade, and the foreign vessel is not worth as much as though she carried the American flag and were chartered an American vessel. We give that drawback to get foreigners to build vessels in our shipyards. If we did not do this, they would have their vessels built abroad.

Mr. COX of Indiana. Does the gentleman believe that because the foreign vessel that is constructed for either foreign trade or foreign ownership is eliminated from the coastwise trade ten months in the year, that will equal the difference between the cost of the vessel into which those free raw materials are put, as compared to the cost of the vessel into which those duty-taxed raw materials go?

Mr. KENNEDY of Ohio. Mr. Chairman, I have no information on that subject, I think, other than the gentleman has.

Mr. COX of Indiana. I will say to the gentleman that I have not any, and I am trying to find out some information.

Mr. KENNEDY of Ohio. Now, I want to call the attention of the committee to another thing in this tariff bill, and I want to congratulate the committee on having immensely improved upon the Dingley bill in section 11, found on page 211 of the printed bill.

Mr. HARDY. Will the gentleman allow a question right there?

Mr. KENNEDY of Ohio. Certainly.

Mr. HARDY. Can the gentleman see any reason why the same principle that permits free tin to come into the United States for the benefit of the Standard Oil Company's canning process should not allow free steel and free material of every kind to come into the United States to build ships for our merchant marine?

Mr. KENNEDY of Ohio. The tin was permitted to come in free, practically free, paying only 1 per cent of the duty—

Mr. HARDY. Well, we call that free.

Mr. KENNEDY of Ohio. Yes; it is substantially free—on the theory that there would be a great amount of labor expended and employed in this country in the manufacture of tin cans, in the manufacture of that tin before it is reexported. That has turned out to be a good deal of a delusion.

Mr. HARDY. Would not the same theory prompt the idea that free importation of shipbuilding materials would permit laborers to build ships?

Mr. KENNEDY of Ohio. That is the same idea carried in this bill, to allow foreign material to come in here to build ships, provided they do not engage in our coastwise trade; that should be monopolized by the American vessel, built with American steel and American material, and it is the American idea, gentlemen, that I think will prevail in this country.

Now, Mr. Chairman, I have in my district a large industry in pottery. They have been making pottery of all kinds—dishes and tableware. They have built up a great industry in America, and they have had a particularly difficult row to hoe of late years, because of undervaluation. I have never been able to understand why it is in the levying of an ad valorem duty that we have paid any attention whatever to foreign values, but we have, for some unaccountable reason. It seems to me to be unscientific; it leads to all kinds of inconsistencies.

For instance, the protective idea has always been that our tariff should be sufficient to bridge the space between the cost abroad and the cost here. Our ad valorem duties, as at present based upon the foreign market value, do not do this, and it is impossible with any certainty to bridge the distance between the cost price abroad and here. This was brought out in the hearings upon the pottery schedule in the most remarkable way. Pottery comes from England. The English seem to give a fair home price and invoice their goods at a price that seems to be fair. The very same articles, the identical things, coming from Germany in the last nine years have paid a duty of a little over one-half of the duty that same thing coming from England would pay, because the Germans in some way undervalue their pottery. The Holland tea is a specific thing that is made by the German potters, and made by the English potters as well. It is a teacup and saucer. The English invoice price, coming to this market for the payment of duty, was 35 and a fraction cents per dozen. The same thing of exactly the same material, made in the same way and selling at the same price in this country, but coming from Holland and Germany, was appraised for taxation and paid a tariff at a valuation of 19 cents—

Mr. MANN. Where from?

Mr. KENNEDY of Ohio. From Holland, Germany, and France. That it is the deliberate intention of the foreign ship-pers to nullify the effect of our tariff laws is fully proven by the following, being part of an address made behind closed



doors by the chairman at a meeting of the National Chamber of Commerce, held at Berlin:

ADDRESS AT BERLIN CHAMBER OF COMMERCE.

As a fact, the United States is not dependent for its existence upon the collection of duties, and it can afford to allow the falling off of revenues in this direction for what they claim "the general good." From this standpoint it is clear that in the administration of the tariff is concealed the power and purpose to make the entry of certain competing articles as difficult as possible, and to carry this out the United States government agents resort to the meanest and smallest measures.

The first of these is the certification of the invoices by consular officers stationed in various districts of the Empire. Second, the investigations by customs officials as to the correctness of statements in the invoices which have not the force or effect of an oath in the German Empire. Third, the reexamination in cases where there is reason to doubt values by agents of their treasury department; and fourth, by the high penalties added for undervaluation. Naturally we all admit that an actual swindle is incorrect in any business transaction, but "undervaluation" should not be treated as such unless positively proved. However, no such elasticity is to be found in the minds of American customs officials, who treat "undervaluation," as they call it, as fraudulent, and they at once apply the usual penalties. Our goods have been exported to England and the United States at lower prices than those for the home market, and there have been more or less low values, for the state, and in some cases what would be there termed "fraud," and such are the conditions at the present time.

"Market value," as defined under American law, is the wholesale price at the time of export, and our trouble lies in having two sets of prices—one for export and the other for home trade. We have to resort to a division of shipments under the so-called "\$100 clause" to keep our matters secret, save fees, and avoid control on that side.

Declarations in invoices compelling all sorts of statements as to how the goods were obtained, whether by purchase or otherwise, values in detail, and charges of every character are the crowning point in the prying curiosity practiced under the American customs laws.

These things all lead to abuses, and we are promised that the means of gaining information through American consuls and agents will be shut off. Our boards of trade are fully awake to the dangers that surround us, and in making every effort to close the doors against this abuse they are hoping for the whole support of the Government.

Experience has taught that the workings of paragraph 8 of the Dingley tariff has not fulfilled the purpose for which it was created, but, on the contrary, the information gained under this regulation concerning costs of production has been so defective that in many cases it has been misleading, because through the prudence of our officials we have taken care that investigations of this character shall throw little light upon the actual value of their consignments.

In many cases trouble has been avoided by having invoices consular remote from districts in which the goods are manufactured, but we must follow up this whole question as to the rights of consular and other officers to pry into our business for the sole purpose of keeping out our merchandise, and in this we are assured of the cordial support of our Government. Such treatment on the part of American officials and the cause for it is plain, and now that concessions must be made by the American Government, if we stand together firmly as a body, aided and supported by our board of trade, we can bring about a change that will be of untold benefit to our American export trade.

Our ad valorem duties have been levied always in the most unscientific way. Every ad valorem duty should be based on the price in this country. The ad valorem duty should be the ideal duty. Every just tax is based upon the value of the thing taxed and should be the value at the place where taxed. Goods are coming now to this country from Japan that are selling here at wholesale at an advance of 500 per cent of the price in Japan upon which they pay duty. Great potteries are being constructed now in both China and Japan intended to manufacture pottery for our market. Under the vicious method which we follow we are now taxing England, the fairest of all our trade rivals, more than any of the other nations. The way in which we, in the last series of years, have treated England in this regard, if we had not the justification of our own blundering ignorance as a defense, would almost justify war against us. Their pottery has been driven out of our market by pottery coming from the Continent, and to show the way in which such pottery was appraised for taxation I shall print in the Record in this connection a statement showing the valuations placed upon pottery by our Treasury Department, coming from Germany to the United States from 1900 to 1907, as given in the statistics of our own Treasury Department. In another column will appear the valuations as given in the official statistical reports of exports from Germany to this country during the same period as shown by German statistics.

STATEMENT.

Domestic exports from Germany to the United States, and general imports into the United States from Germany, of earthen, stone, and china ware during the calendar years of 1900 to 1907.

Year.	Exports from Germany to United States.	Imports into United States from Germany.
1900.....	\$4,307,100	\$3,307,966
1901.....	5,217,900	3,650,974
1902.....	5,800,300	3,725,383
1903.....	6,432,000	4,508,487
1904.....	7,756,200	4,694,691
1905.....	8,069,900	5,042,605
1906.....	6,845,400	5,135,913
1907.....	8,171,500	5,585,580

The vice of it all is that if the protective tariff is intended to bridge the distance between the cost abroad and the cost here, we are putting the lower tax upon the countries where labor is cheapest. Take any article—take the hat I wear. If its cost in France was \$1 and its cost here is \$2, the tariff ought to be a dollar. If you base it upon the cost in France, we would say 100 per cent; if we base it on the wholesale price at which it sells here, it should be 50 per cent. Fifty per cent on our price would produce \$1, and 100 per cent on the price abroad would produce \$1. But, now, suppose it costs but a quarter to make it somewhere else. Under the vicious method which has obtained in this country we have taxed the lowest-priced goods least, whereas if there is anything in our policy of protection, we should have taxed them most. Now, it may be interesting to know—

Mr. BARTLETT of Georgia. May I ask the gentleman to give us some instance of where we tax the lowest-paid labor less?

Mr. KENNEDY of Ohio. Why, we tax, for instance, a dinner set of pottery made in Japan a certain percentage ad valorem upon the cost of that dinner set in Japan, and the cost of it is only one-fifth of what it sells for wholesale in our market.

Mr. BARTLETT of Georgia. Now, does this bill change that?

Mr. KENNEDY of Ohio. It changes it materially, but I want to call the committee's attention to the fact that it will not protect us, the potters of my district, from the ruinous competition which they fear will come in the near future from China and Japan. I will call the committee's attention to the change made. I believe this is the way the ad valorem duties should be assessed: I think that the duty should be assessed upon the price, the specific price, at which the importer sells his goods in our market. That is the correct and ideal way of taxing. We should value the property at the place where taxed. If that method were adopted, there would be no trouble in finding out what the market price was. A simple provision that the importer should simply make declaration giving the invoice of his goods, a sworn statement of what goods he is bringing in, and a statement of what he expects to sell them for, will—

Mr. COX of Indiana. Then, I understand the gentleman, that would be the home price in the United States?

Mr. KENNEDY of Ohio. Yes; what he expects to sell wholesale for.

Mr. COX of Indiana. That is the uniform practice upon which all taxes are based.

Mr. KENNEDY of Ohio. Yes; if you view this tax as something paid for the privilege of exploiting our market, if he sells high he ought to pay more. Then let him pay the duty on the price he expects to sell the goods at. Require him under penalty to report immediately upon sale or report, at all events, within a certain time just what he sold them for and to whom. If he is compelled to sell under the value, give him a rebate; if he sells for more, let him pay the surplus duty; and the bill would execute itself. An army of taxgatherers, possibly, would be out of business, but that is no reason why we should not get ad valorem duties to a scientific basis.

This section 11 down to a certain point is the same as section 11 in the Dingley bill. Then, it has this added proviso; there are some other changes, but this one I wish to call to the committee's attention:

The actual market value or wholesale price, as defined by law, of any imported merchandise which is consigned for sale in the United States, or which is not actually sold and freely offered for sale in usual wholesale quantities in the open market of the country of exportation to all purchasers, shall not in any case be appraised at less than the wholesale price at which such or similar imported merchandise is actually sold and freely offered for sale in usual quantities in the United States in the open market to all purchasers, due allowance by deduction being made for estimated duties thereon, cost of transportation, insurance, and other necessary expenses from the place of shipment to the place of delivery, and a reasonable commission, not exceeding 10 per cent, if any of the same has been paid.

This is limited, you will notice, to goods that are consigned.

Mr. HUBBARD of West Virginia. If the gentleman will allow me, I think it is not limited entirely to goods that are consigned.

Mr. KENNEDY of Ohio. It includes more than that. It includes goods that are consigned and also goods coming from a country where there is no market value.

Mr. HUBBARD of West Virginia. Although, in fact, they are sold and not merely consigned.

Mr. KENNEDY of Ohio. Yes; where there is no market. If the importer can not show that there is a wholesale open market in the country where the goods are made, now, that will give to our people protection for their industries, so far as European goods are concerned, but as to China and Japan, I fear it would be wholly inadequate.

I had a very close and intimate friend who operated a steel plant a few years ago in Hankow, China. He told me that in

that steel plant labor cost him 7 cents in our money per day, and that was not an eight-hour day, either.

Now, all of the value that is in pottery consists in labor. The clay costs nothing, except the labor to get it out. So that it is all labor, we may say. They make pottery to-day as they made pottery in Job's time, namely, on a wheel. They have different methods of decorating, but the formation and the making of the pottery has not changed in its method for four thousand years, I expect. They used to run a wheel for tramping a treadle. Now they have a shaft and a belt to operate that wheel.

But it is substantially all labor. And it seems to me preposterous to pay any attention to a market in countries where men work for 7 cents a day, and base an ad valorem duty upon that to bridge the difference between the cost price there and here.

I want to call the attention of the committee again to the fact that an ad valorem duty that would protect the potters against ruinous competition from those eastern countries would be so high that it would exclude every piece of pottery coming from any other country save China and Japan.

Now, it has occurred to me that if the committee would but amend this so that it would read:

The actual market value or wholesale price, as defined by law, of any imported merchandise which is sold or consigned.

Writing in the words "sold or" before the words "consigned for sale in the United States" would be an improvement. Then strike out all words after the words "United States" down to the word "shall," in line 9. That would enable us to have protection against the goods coming from China or Japan.

Failing this, there ought to be a specific duty of so much per pound placed upon pottery in the alternative, providing that our duties fixed earlier in the bill should not in any case be less than so much per pound, so as to give some protection. Make this specific duty low enough so that it will not affect pottery coming from European countries. This request seems to be not unreasonable, and I urge it with all earnestness, believing and feeling that it ought to be granted. The potters of my district have a right to claim it as their due by reason of a specific pledge in the platform of the Republican party. The platform as written at Chicago did not go so far, but at a time long before the votes were counted, the platform was authoritatively interpreted by the only one who had authority to pledge the party's faith, or to interpret doubtful provisions in that platform. Our leader said upon the stump that revision in the Republican platform meant that when duties were too high they should be lowered; that where they were too low to give adequate protection they should be raised, and in that same speech the only industry which he specifically named as inadequately protected was the American potter. His interpretation was everywhere accepted and the votes were cast with that understanding. [Applause.]

Mr. EDWARDS of Georgia. Mr. Chairman, many able and interesting speeches have been made in the House since the tariff bill made its appearance. The speeches have ranged all the way from three minutes to nine hours in length, and almost every conceivable phase of the tariff question has been discussed. It is not my purpose to go into detail in a discussion of this important question, but I propose to take up certain articles in which the people of my section of the country are interested and to tell you briefly of a few things that they want in the way of tariff legislation. I feel that I would be very unfaithful indeed were I not to speak out at this time for what will be of benefit for my section. Of course I can not hope to go into detail in the short time allotted to me, but I can and will refer generally to a few things of vital interest to my people and our industries.

I am indebted to our distinguished leader, Hon. CHAMP CLARK, of Missouri, for the suggestion made in his speech on the 25th of this month that "Nobody can blame people for wanting to take care of themselves." Indeed, self-preservation is the first law of nature. This is true in commerce, in legislation, and in everything. The people of my section of the country want to be taken care of, and I think that a Representative should be commended for striving to take care of the interest of the people whom he represents.

In his great tariff speech to which I have just referred, Mr. CLARK also said that "every man has a theory as to how a tariff bill should be built, and yet nobody has ever adhered strictly to a theory for framing one, and, what is more, nobody ever will." I regard Mr. CLARK as perhaps the best authority, from a Democratic standpoint, in this country on the tariff question.

Mr. CLARK also said:

Up to a certain point, on any article that is made in the United States as well as abroad, a tariff rate is both a revenue rate and a protective rate, and no human being ever had or can have the ingenuity to separate them. \* \* \* For instance, I might say that I am in favor

of putting a 25-cent rate on a certain article for the purposes of revenue, and my friend from Michigan [Mr. FORDNEY] might say that he is in favor of putting a 25-cent rate on the same thing as protection. The upshot of it would be that I would get my revenue and the gentleman from Michigan his protection, whether I wanted him to get it or not.

I take it that it would be next to impossible to get a bill in here that would satisfy everybody, because there is such a diversity of interest represented in this House. That is the reason for having congressional districts and a Representative from each of those districts, because no one man, nor even a few men could, or would, know the needs of every section of the country; and while I regret to see the elections roll around so rapidly, I take it that it was a wise provision to keep the Representatives closely in touch with the people in order that their needs might be better understood and taken care of, and in order that the interest of no section might be neglected.

Where there is a diversity of interest there is bound to be a difference of opinion, even among Democrats. I take it that there is a wide difference of opinion as to many schedules of the tariff bill on both sides of the House, for there are over 4,000 articles referred to in the bill.

The true object of a tariff should be to raise revenue only to meet the expenses of the Government. The tariff is unquestionably a tax, and taxes should only be levied to meet necessities. [Applause.]

My idea is that instead of increasing the tariff and placing additional burdens upon those who are the least able to stand it, that the expenses of the Government should be substantially reduced. The expenses of this Government are enormous. The tendency has been to raise salaries all along the line for several years; it should have been to decrease them in many cases and follow a strict plan of economy. By strict economy a great saving could have been made in many ways. It was, in my opinion, a great mistake when the salaries of Senators and Congressmen were raised from \$5,000 to \$7,500, for it has been an excuse for increasing hundreds of other salaries. I was not in Congress when this salary increase was made or I would have opposed it, and I have at this session introduced a bill to reduce it to \$5,000. I have consistently opposed all increases proposed since I have been here. If we increase our own salaries how can we consistently refuse to increase others?

We are now, through Republican extravagance and misrule, confronted with the largest deficiency that the country has ever faced. It will have to be met, and now the Republicans propose to increase the tariff, in many instances upon the necessities of life, and raise this huge fund. There should be no tariff on the necessities of life, and if a tariff is placed on those necessities it should be the lowest possible rate, so as to reduce the cost of living, while on the contrary I favor a high tariff, for revenue, on the luxuries of life.

I wish to quote from the report submitted by the minority members of the Committee on Ways and Means the following:

#### SCHEDULE G.

The treatment of the farmer by this bill is along the same lines as have characterized Republican methods in the past. He gets practically no relief, and the laborer and producer have greater burdens imposed upon them. The cost of living for the average man is increased; the advantage of wealth and power is also increased. Heavy taxes are laid on coffee, tea, and substitutes for coffee, which, with cocoa, butter, mustard, pepper, cinnamon, and all sorts of flavors for food, are declared to be luxuries. While figs, lemons, etc., are raised in price without hope of increasing the revenue, barley is reduced 15 cents and barley malt 20 cents, the reason for which it would be interesting to know. Every article of food the laborer must have to live comfortably is heavily taxed; even the salt on his table is not exempt. This schedule was evidently prepared by the same mind which has dominated this bill—a mind certainly not unfriendly to the great trusts.

As this bill places hides on the free list, to be consistent it should also remove the duty on leather, shoes, harness, and other manufactures of leather.

That the bill is a sectional one is shown by the failure of the majority of the committee to lift any burden whatever from the shoulders of the southern farmer. The grower of cotton must sell his product in the open markets of the world. In order, however, to benefit the manufacturer of cotton the Republican party makes him pay a heavy tax on every pound of it that is exported and comes back into the United States in the shape of manufactured goods. Thus, he sells in free-trade markets and buys in a protected market. Not only have these burdens not been lifted, but additional ones have been placed on him. By a lately discovered process, a fabric known as "mercerized fabrics" is now being made. This is a very fine article of cotton goods, looking very much like silk, and is largely worn. In order to further enrich the manufacturer and to further tax the masses of the people, a tax has been laid on these goods.

Cotton hose have fallen under their greedy gaze and the tax on them, already too much, has been greatly increased. Cotton goods are more generally used than any other class of goods by the masses of the American people, and every cent of duty laid on such fabrics is an additional tax on the people least able to pay it.

The tea tariff is a tax of 8 and 9 cents per pound on consumption and is in direct contradiction of that "free breakfast table" about the blessings of which we heard so much when raw sugar was put on the free list in the McKinley bill. If a free breakfast table was a desirable thing in 1890, and it undoubtedly was, it is an equally desirable thing now. This tea tax will probably bring into the Treasury something like \$7,000,000 per annum, and it increases the cost of living



by the same amount. That sum, or twice or thrice that sum, could have been added to the revenues by reducing the exorbitant rates on woolen manufactures alone, and at the same time reducing the cost of living, which has increased to an alarming extent in the last few years. In paragraph 553 as to coffee we find another joker similar to the one as to petroleum. Ostensibly coffee is placed on the free list, but by reason of the proviso as to countervailing duties it really places a tariff on coffee equal to the export duty levied upon it by the exporting country from which it comes. For example: If Brazil levies an export duty of 8 or 10 cents per pound, then we must slap a tariff rate of 8 or 10 cents a pound on all coffee imported from Brazil, which arrangement really authorizes Brazil and other coffee-exporting countries to fix our tariff duties on coffee. This may be a delightful situation for the coffee-exporting countries and for our Treasury Department, but it will not bring joy to the heart of the American coffee consumer, who must pay both the export duty levied by the other countries and the import duty levied by our own Government.

Indeed, the whole maximum and minimum tariff scheme as set forth in the Payne bill enables foreign countries to force us to raise the rates of the Payne schedules 20 per cent, which would, after making ample allowance for all reductions in the Payne bill, increase our tariff rates on the average much above the rates of the Dingley law, a prospect which will bring sorrow and dismay to the great body of the people. We are most heartily in favor of such a maximum and minimum tariff as will enable our Government to negotiate tariff arrangements by making concessions to other governments by reducing the rates of the statute when such other countries will make equally valuable concessions to us; the maximum rates should be the rates of our statute, whatever they are, and the minimum a reasonable rate below our statutory rates; but as it stands the maximum and minimum tariff plan of the Payne bill is an open challenge to a trade war with every other nation on earth. It is seeking trade with a club or meat ax. We are opposed to such an unwise and unnecessary performance. In this connection it may be well to ponder thoroughly our relations with Cuba. Does any sane man suppose for one moment that the great commercial nations, our competitors for the world's trade, will concede that Cuba is one of our "dependencies?" It is a thing incredible. To ask that question is to answer it.

The tariff arrangement between us and the Philippine Islands has no proper place in a general tariff bill. The legitimate function of a general tariff bill is to set forth our trade relations with foreign nations; but foreign nations have absolutely nothing to do with our relations to the Philippines, which relations should be most carefully and prayerfully considered by us in a separate bill. There are some schedules and many items which we have been absolutely precluded from considering by the short space of time allowed for the examination of this voluminous bill and the preparation of this report. On them we pronounce no opinion and as to them we make no suggestion at this time; but our silence as to them is not to be construed into an endorsement, for the chances are that they are as objectionable as those which we have discussed in this report.

The bill is in many respects crude, indefinite, sectional, and prohibitive. It seems to us from our examination, which was necessarily hasty, that on the whole it increases the cost of living. For example, it will increase the price of hosiery about 30 per cent, and certainly nobody will claim that hosiery is a luxury in this day and generation. Many increases of the sort might be mentioned. In numerous instances the protection exceeds the entire labor cost of production. This can not be defended on any ground whatsoever, even by a standpatter. In all, the reductions both apparent and real fall far short of the substantial relief which the people were led to expect.

Every tariff bill which has been gotten up by the Republican party has greatly discriminated against the South. They have also discriminated against the farmer, the wage-earner, and the laboring man. This is unjust and should not be. [Applause on the Democratic side.]

We are face to face now with the Payne tariff bill that will soon become a law, whether the Democrats want it or not, for it is purely a Republican measure, and they are greatly in the majority. It is like others of its origin, and is full of sectional protections and discriminations. I quote here again from Mr. CLARK:

In such joint work no man could have gotten into the bill or out of it all that he desired. I will go bond for the proposition that no mortal, reputable man, not even Mr. Chairman PAYNE, will stand up in the light of day and assert that this bill contains everything he desired or that it does not contain certain undesirable things. There was no danger of our outvoting them, for they had 12 members to our 6, our seventh Democratic member, Mr. Granger, of Rhode Island, being absent by reason of the sickness which proved fatal to him. But we might by mutual concessions have agreed on all the items, or at least a large part of them, for let it not be forgotten that the tariff of 1857 was passed by the consent of all parties and practically without opposition. Had we agreed in whole, or even in part, it would have greatly expedited the passage of the bill, thereby shortening the business suspense now pervading the land.

I do not believe that we should sit idly by and see the present tariff bill literally cut the throats of our southern industries, nor do I propose to be a party to any such disastrous policy. If there is to be protection for one section or for certain sections, it should be for all; there should be no unjust discrimination. The South, with all of its great possibilities and industries, should no longer be burdened with this unjust discrimination, and should no longer be made to bleed and suffer by forcing her farmers, laborers, and industries into competition with cheap and slave labor, and products of that labor, of foreign countries. This applies forcefully to lumber and cotton, of which there is much produced in my district. I do not believe that the present rate on lumber is an unreasonably protective one, nor do I think it should be reduced, for I am of the opinion that it is not more than a revenue rate. To take that rate off lumber

means a calamity to the people of my section of Georgia unless there is a reduction in all articles which the people of that section are forced to use, as was contemplated by the Democratic platform. It will reduce the price of stumpage, and thus affect the selling price of timber, and injure every man who owns a foot of land with trees on it. It will almost paralyze the sawmill business, which is large, and gives employment and bread to thousands of people in my district. Besides, there are many towns in my district that are almost wholly kept up by sawmills located in them or near them. It would be a blow to those towns and to the farmers who furnish supplies to the mills, for what hurts one great industry hurts us all in that section. To remove the tariff from lumber would force the sawmill man to do what the farmer, under this bill, is going to be forced to do also; that is, to sell his product in a free market and buy in a highly protected market. [Applause.]

There is a lot of sea-island cotton raised in my section of Georgia, and its chief competitor is Egyptian cotton. I favor a tariff for revenue on cotton from foreign countries in order that our farmers will not be forced into competing with the cheap foreign labor and the slaves of the Nile. This would bring our cotton more in demand, in my opinion, and would insure better prices to our farmers for their product. The proposed Republican scheme, to force our farmers and sawmill men, whose interests are closely related, to sell their products in a free market and compel them to buy everything they use in the way of necessities and supplies in a highly protected market, is the rankest kind of high-handed robbery, and I for one will not keep quiet and see any such crime perpetrated against the people whom I represent. I believe they are confidently looking to me to protect their every interest here, and, God being my helper, I shall not disappoint them. You take the people who are clamoring in Congress for free lumber and opposing a tax on foreign cotton and, as a usual thing, they have not a stick of timber or a boll of cotton in their districts. They are the same gentlemen, too, who, as a usual thing, are trying to keep a tariff upon cotton bagging, ties, farm implements, sawmill machinery, chemicals for making fertilizers, and upon all supplies and necessities that our people are forced to buy. I am in favor of all these things being placed on the free list. It will mean the saving of thousands of dollars every year to our people and a great reduction in their daily living expenses. If all these necessities and supplies were on the free list, then the people of my section would not demand a revenue upon products that compete with theirs. They demand that these necessities and supplies shall be put on the free list or that their products be not discriminated against.

The tariff bill, then, is the tax bill. It is the levy of the tax out of which the revenues for the running of the Government are raised. The passage of this bill affects every hearthstone in the United States, and it should be made as light on the shoulders of the poor and the laboring classes as possible.

This is a hard, hard day for the laboring man. By way of digression, but germane to the discussion, I want to refer to the jail sentence that was imposed upon certain prominent labor leaders, who, standing by their convictions and standing up for the rights of millions of laboring men, dared to express themselves concerning the iniquities of an injunction case pending in a federal court, and without a trial by jury, in the discretion of the enraged judge, were adjudged in contempt of court and given jail sentences. I want to go on record as branding it as one of the grossest outrages of the age. It is simply another powerful argument why the use of the injunction should be abridged and why no man for contempt of court or any other charge should be deprived of his liberty or rights without a trial by jury. Very little is offered in this bill to the laboring man.

I have received many letters, telegrams, and petitions from prominent men, trade and commercial bodies in my district, among whom I might mention William B. Stillwell, of Savannah; E. F. Hartfelder, of Savannah; Garbutt & Donovan Manufacturing Company, of Lyons, Ga.; Harvey Granger, vice-president of the Savannah Board of Trade; W. W. Williamson, president of the Savannah Chamber of Commerce; F. D. Bloodworth, president Savannah Clearing Association; the Georgia and Florida Sawmill Association; and hundreds of others, urging that the present rate on lumber be left as it is; stating that "upward of 50,000 men protest earnestly against interfering with the present tariff rate on lumber; that the effect would be disastrous to employers and employed; and that the agitation has already been more hurtful than could be estimated;" and that "southern pine timber has been turpentine and will have to be sawmilled or go to waste, means a loss of millions if not worked up rapidly, and a great loss if present rate is interfered with;" and many more along the same line, indicating, as was stated in some of the letters and telegrams, that to dis-

turb the present rate "would be a calamity" to that section of the country.

I wish to read to you two editorials from the two leading newspapers of my section of Georgia.

This one I read now is from the Savannah Press, and is as follows:

#### WHERE IT IS UNJUST.

The Press can not blame the Democrats in the House, especially the Democrats from the South, in not submitting to the reductions placed by the Ways and Means Committee upon southern products.

Protection seems to be the settled system of the country, and as long as this is true a tariff bill should, in the words of Senator Bacon, "distribute the benefits as well as the burdens of taxation throughout the country." If the principle of subsidy is to prevail, it is not fair to reduce the duties on southern products and increase the duties on northern products. This section has sustained a heavy burden of taxation a long time. It has received very little in return. Hundreds of millions of dollars float back into northern cities and States through the pension bill. Little of this comes South, so there are few rebates or drawbacks or rake-offs this side of the Potomac. The first duty of a low-tariff bill, in the eyes of a northern Congressman, is to cut down the bounties given to lumber and cotton and rice. Naturally this creates resentment and "brings on more talk."

The Press does not believe in the principle of protection. Although we think free trade is impractical, still we hold that a tariff bill ought to be framed for the purpose of raising revenue and not for the purpose of affording protection. That is the only excuse for a tax bill; any other theory is repugnant to good sense and sound principles. Where a system has prevailed for a long time, and duties have been piled up for years, it is hard on the interests which have grown up under them to cut down these bounties, and to discriminate against one section and in favor of another. Protection is a dangerous and an unsound stimulant. But human nature is the same, North and South, and it is just as natural for the lumbermen of Georgia to protest against discrimination as it is for the lumber camps of Michigan. We believe that protection in the end does an industry just as much harm as it does good, but if protection is to be continued for the benefit of one class of people, it ought not to be abandoned in the case of another class.

As a sample of the principle which has been employed in the Payne bill, it is said that New England mills which manufacture the finer fabrics are seeking to have the tariff on this grade of goods increased and at the same time favor a reduction on coarser cotton goods, which are manufactured principally by southern mills. A higher tariff on the finer cotton goods would give to the New England mills a monopoly, whereas a reduction in the present tariff on coarse cotton goods would force the southern mills to compete with foreign countries which have the advantage of cheaper machinery and cheaper labor.

This one is from the Savannah Morning News, and is as follows:

#### THE REDUCTION OF THE TARIFF ON LUMBER.

The Georgia and Florida Sawmill Association is determined to leave no means untried to have the present tariff on lumber retained. In our dispatches from Tifton yesterday an indication was given of its efforts to hold on to the protection which the lumber interest now has. The sawmill men have gone over the situation very carefully and they know to a fraction what effect the reduction of the lumber tariff provided for in the Payne bill would have on that interest, and they are satisfied that if the reduction is made there will be but little, if any, profit in manufactured lumber, particularly in the lumber that is manufactured here in the South.

If there were to be a reduction in the tariff schedules on all articles which enter into the cost of manufacturing lumber equal to that in the tariff on lumber the sawmill men would not have so much reason to complain, but there is to be no such reduction. The cost of manufacturing lumber will be as great in the event of the passage of the Payne bill as it is now. Hence the reduction of one-half in the protection that lumber now receives means that much reduction in the profits on lumber.

Sawmill men claim that under such conditions it would not be possible to manufacture lumber in the South at a profit. The Canadian competition would practically force every sawmill man to shut down his mill. That condition of affairs would bring hard times in this section of the South.

The National Forest Conservation League is contending that the proposed reduction of the lumber tariff would not hurt the sawmill interest; that the tariff remaining would be sufficient to keep out Canadian lumber. The league has in mind only lumber manufactured in the Northwest. In its sweeping statement it makes no distinction between the lumber of the South and that of the Northwest. It is, therefore, a misleading statement; and Congressmen should not permit it to influence them. They have so many things to think of, however, in connection with the pending tariff bill that it is difficult to get them to center their attention on any one interest.

It is noticeable that the Congressmen from this section of Georgia are alive to the importance of guarding against the threatened injury to the lumber interest. They have been supplied with the facts bearing upon that interest and can be depended upon to do all it is possible to do in its behalf.

I read these editorials to you to show you the sentiment of the people of my section of the country. I fully agree with both of these good editorials, and they are directly in line with my appeal for the advancement of the interest of that section of the country.

In a letter from Hon. F. C. Battey, of the firm of Hunter, Pierce & Battey, of Savannah, Ga., he says, in part:

If I am correctly informed by the exporters here, France is practically the only producer of naval stores that comes into competition with the American product, and I am now told that not a barrel of rosin or spirits is sold by us to France, on account of the fact that the tariff there on American naval stores is prohibitive. I am informed, on the other hand, that quite a large amount is shipped from France into this country, and that it is hurtful to our people.

Mr. Battey is substantially correct, as is shown by governmental statistics. The Hon. W. G. BRANTLEY, my colleague, has made a strong appeal along this line before the Ways and

Means Committee, every word of which I heartily indorse. We should have a reasonable tariff rate for revenue on the importing of naval stores, certainly as long as France, our chief competitor, has a rate against our products, in order that our operators may live.

I have also received many letters, telegrams, and petitions from farmers and farmers' unions, urging me to stand for a revenue tariff on Egyptian cotton. I have just received a letter from Hon. A. L. Tippins, of Daisy, Tattnall County, Ga., along this line. He is one of the most progressive and business-like farmers of that county, and he has made some strong arguments why this tariff should be placed on Egyptian cotton, and the opinions of men like him are worth something.

In looking over the Statesboro News, of Statesboro, Ga., I find the following:

#### WILL ASK FOR DUTY ON EGYPTIAN COTTON.

A movement is on foot to ask Congress to embody in the new tariff bill an import duty on Egyptian cotton. A committee of south Georgia and Florida planters and business men will go to Washington and urge such a measure.

The present crop of sea-island cotton has been estimated at 94,000 bales. All of this, except about 10,000 bales, has been sold, and 90 per cent of this is used by American mills. In addition to this 25,000 bales of Egyptian cotton has been imported into this country from the farms of the pauper laborers in Egypt. This cotton sells at 17 cents, and drags our prices on sea islands down. It is argued that a tariff of 5 cents a pound on imported Egyptian cotton would protect our south Georgia product and raise prices to at least 25 cents per pound.

A new demand has been created for the product of our sea-island cotton belt in the manufacture of automobile tires. It is estimated that this industry alone uses 20,000 bales of sea-island cotton. With a duty on Egyptian cotton and the increased demand in the home markets, there is no reason why prices should not be raised.

The Chamber of Commerce of Statesboro is taking the initiative in this matter. President J. G. Blitch has taken the matter up with our Representatives in Congress, and he and others from here will accompany the delegation to Washington, where they will appear before the committee having this matter in charge. The fight started here will be supported from all sections of the sea-island cotton belt.

Along the same line I read an editorial from the Savannah Morning News:

Why are not the growers of sea-island cotton just as much entitled to protection as the manufacturers of sea-island cotton products? Can anybody give a good reason why the manufacturer and the operatives in his factories should be protected against the manufacturer and the cheap labor of Europe, and the sea-island cotton grower should not be protected against the farmer of Egypt and the cheap labor of that country?

It is a notorious fact that the growers of sea-island cotton have to compete with the growers of Egyptian cotton, and the competition is so fierce that the farmers growing sea-island cotton find it difficult to make a living because of the low price which their product brings, due largely to the free importation of Egyptian cotton.

If it were not for this Egyptian cotton the demand for sea-island cotton in the home market would be very much greater than it is. Of course the increased demand without any material increase in the supply would bring about an increase in the price.

The sea-island growers are going to make a determined effort to have a duty of at least 5 cents a pound placed on their product. They believe that justice is on their side, and that Congress will listen to them. Of course the manufacturers will offer a strong opposition, but that is to be expected. But if the manufacturers get protection, their argument against protection for the raw material ought not to have much weight.

The southern farmers are getting nothing practically out of the pending tariff bill. The framers of the bill appear to have overlooked their interests entirely. And their interests will continue to be overlooked unless they hustle for themselves. They may not believe in the principle of protection, but if protection is the policy of the Government they must have their share of it if they are to live and prosper. They can not prosper under a policy that makes them pay protection prices for all they buy, including labor, and sell their products on a free-trade basis.

Mr. R. W. Mattox, of Green Cove Springs, Fla., an expert on the subject, gives it as his opinion that 1 pound of No. 150 spool cotton thread manufactured from sea-island cotton is worth over \$20. The farmer is forced to sell his raw product in an open market at from 18 to 22 cents per pound, and if he buys it back in thread he pays an enormous difference. The farmer gets very little for his cotton when he sells it, but he pays dearly for it when he buys it back in manufactured articles, and there is the flagrant injustice to our people.

In this connection, I wish to say that I have also received the following letter from Senator H. S. White, of Sylvania, Screven County, Ga.:

WHITE & LOVETT,  
ATTORNEYS AND COUNSELORS AT LAW,  
Sylvania, Ga., March 24, 1909.

HON. CHARLES G. EDWARDS, M. C.,  
Washington, D. C.

DEAR SIR: I herewith inclose you three petitions or requests for a reduction of the duty now placed upon sugar. We think that you can do our country a great service in assisting in getting a reduction of the duty upon sugar. While some of your constituents are producers of sugar and would be somewhat benefited directly in the maintaining of the high duty upon the same, the great majority of them are only consumers, and would be greatly benefited by a reduction of the duty. Personally I think it would be to our interest also to have a reasonable duty placed upon the importation of cotton.

I submit these views for your consideration and hope you may agree with me.

With kindest regards, I am,  
Yours, truly,

H. S. WHITE.



I am also in receipt of the following from Messrs. H. S. White and A. B. Lovett, of Sylvania, Ga., and W. M. Parker, Woodcliff, Screven County, Ga.:

The undersigned respectfully ask for the removal of the duty from raw and refined sugars, in the interest both of the 80,000,000 consumers of the country and the manufacturing industries, in which it is an important material. This tax amounts to 2 cents per pound on refined sugar, equivalent to an 80 per cent ad valorem duty.

We would submit that such an exorbitant tax is not justified by the conditions relating to the production or refining of sugar in this country. Leading sugar refiners have testified that they need no tariff protection against foreign refiners. The production of sugar in this country is very small in comparison with the annual consumption, and there is no good reason why all the people should be heavily taxed in the interest of one industry.

The relatively high price of sugar operates to prevent its more general use in the manufacture of preserved fruits of all kinds, and by adding to the cost of these articles limits their consumption. While this is the greatest fruit-growing country in the world, our exports of jams, jellies, etc., are comparatively small, as we can not compete in neutral markets with countries like Great Britain, which have the advantage of cheap sugar. The removal of the sugar tax would greatly increase domestic consumption of these articles, and would give us a much larger share of the export trade. In many cases the canners would be enabled to buy and preserve fruits that would otherwise be wasted for lack of a market.

We believe that this is a matter which should be decided by Congress in favor of the policy which will benefit the greater number of the people, and that the interests of the consumers should receive the consideration to which they are entitled. The tax on sugar is paid wholly by the consumers, and is an unnecessary burden on one of their principal articles of food. The repeal of this tax would therefore be an unquestioned advantage to the people of the entire country.

I beg also to submit a petition from many prominent citizens and business men of Savannah, Ga., which is as follows:

Hon. CHARLES G. EDWARDS,

Member of Congress, First District of Georgia:

We, the undersigned citizens, hereby vigorously protest against the imposition of any duty or tax on teas or coffees by Congress, and ask you to use your influence before the Ways and Means Committee and in Congress toward the defeat of any such measure.

C. E. Stanton, Jr., B. M. Theus, J. H. Boldshaw, Jacob S. Collins, S. Lehwald, McGrath & Ransford, John R. Millings, J. C. Schwarz, J. A. Doyle, J. J. Gaudry, W. I. Farmer, A. Blumberg, R. H. Edenfield, H. H. Blake, P. A. Stovall, W. Falk, John Lyons & Co., Harry T. Wilson, Edward N. Cartwright, Daniel A. Holland, Dr. Geo. W. Herriott, S. L. Gerst, A. Ehrlich & Bro., W. H. Murdock, A. A. Avelhe, W. E. Dawson, G. P. Talbott, J. A. Wilson, J. A. Nelson, J. J. O'Neill, Harry Hirsh, W. G. Morrell, W. H. Bolland, R. A. Hicks.

These are only a few of the many appeals that are coming to me from the first district of Georgia. I know the conditions down there. I know something of the needs of those people; I sympathize with them, and I shall not turn a deaf ear to their appeals. [Applause.]

I hope I have made myself clear. I do not want to be misunderstood. There are always those who had a great deal rather misunderstand, or appear to misunderstand, one's position than to really understand it. There are those, as long as the devil continues his wicked influences and forces in this world, who had a great deal rather criticize and condemn than to approve and commend. They are the kind who tear down and destroy what other men build up.

I yield to no man in my loyalty to the Democratic party, and to the principles of Jeffersonian Democracy. I was born a Democrat and have walked and lived as one, and will advocate the principles of Democracy as long as I live. It is that principle of "equal rights to all and special privileges to none" that I have advocated here to-day. I have advocated equal rights to all sections, which I hope will be granted. I appeal to the House not to discriminate against the South and her industries in this bill. We have patiently borne all the burdens you have laid upon us for lo, these many years. How long, oh, how long, do you want us to submit to these unjust discriminations against our people? It is that simple justice that should be accorded to all for which I am pleading to-day. I, with my party, advocate a tariff for revenue only, and if you will put everything upon that basis, as was contemplated by the Denver platform, then we will be satisfied. There is no justice, however, in forcing us to buy everything we use in a highly protected market and to sell everything we produce in an open and unprotected market simply because it is in your power to force this upon the South.

It is my opinion that before this tariff fight is over you will see every Congressman who is loyal to his constituents taking the position of looking after their interest and trying to get all he can for his people. That is the platform upon which I was reelected to Congress, namely, "to do all I can and get all I can all the time for the first district of Georgia and its people." I have tried to live up to it and am going to keep it up until the people of my district tell me that I am wrong.

I conceive my first duty to be to my people and my district, and to that duty I shall be faithful to the last. I am answerable only to the people whom I represent for my stewardship here; I

hold my commission from the governor of Georgia, through the will of the free and enlightened people of the first Georgia district, and I shall be true as long as I am here to their every interest. [Loud applause.]

Mr. GILLET. Mr. Chairman, I do not intend to enter on a general discussion of the tariff bill. That is being done amply by the members of the Ways and Means Committee, and I want especially to express my admiration for the exhaustive and satisfying explanation of the bill given by the chairman [Mr. PAYNE]. His fullness of knowledge and reasonableness of tone and fairness in answering questions illuminated the bill and proved that, while it probably was not free from errors, its preparation had not lacked laborious and intelligent and high-minded application.

I think in general the bill well meets the expectation of the country, and while there are some amendments which I shall press and support, yet I think we shall be fortunate if, when it emerges from the various dangers which beset its thorny path, it is as satisfactory as when reported by our committee.

This committee which provides the revenue for the Government has no jurisdiction or responsibility for the expenses of the Government, a curious and unfortunate anomaly, but this bill has been prepared with reference to our probable expenditures, and its authors have found their greatest difficulty in providing revenues which shall prove sufficient. This it seems to me is not so much because our revenues now are small as because our expenditures are excessive and extravagant. The vital problem for us to solve is not so much how to raise revenue as it is to raise it in such a manner as to impose a check on needless appropriations. It is along that line I intend to speak.

One of the most marked and obvious developments of recent years has been the enlarged scope of the activities of the National Government, and the subject has been debated as incessantly as such an interesting phenomenon deserves, and I do not intend to add my comments to the general discussion. Though being by tendency a federalist, I see nothing disquieting or alarming in most of the new features of federal power. But there is one phase of the situation or trend which is seldom mentioned, but which, as a member of the Appropriations Committee, has attracted my attention and concern, and that is its effect on our national expenditures. I do not mean so much the expense of these new activities—though in some cases that is vast enough—but I mean more the constantly growing and unchecked and endless expense which results and will result from the new attitude of the people toward the National Treasury.

I doubt if there is any phase of the new federalism where the growth is more prodigious or to me so appalling as here. The people seem of late to be learning to look on the Federal Treasury as a vast reservoir from which they can draw endlessly without exhausting it, which will be kept full without any burden on them, and consequently each person's interest and constant endeavor seems to be to get for himself as large a share as possible of this free and gratuitous outflow.

Such a state of mind on the part of our constituents is dangerous in several ways. It is demoralizing in the same way that gambling is demoralizing to the individual, by inducing the belief that work and industry and self-sacrifice are superfluous, that wants can be gratified without effort, and that it is not honest exertion alone that is rewarded, but that there is an easy way by which the same reward will fall in your lap without struggle or self-denial; that there is a father of boundless wealth who can gratify all your wants without expense to you and that self-denial and economy are as superfluous as they are inconvenient.

Nothing is so fatal to industry and enterprise as such a feeling. It is most unfortunate for man or nation to learn to rely for success on anything except his own steady effort. Yet such a feeling is spreading all over the country. I suppose we Republicans are partly to blame for it because of the tariff doctrine which we have so zealously and successfully preached that the law can ruin industry; and the corollary has too often been drawn that law alone can also create prosperity; and hence has arisen a dependence on laws alone, and in time of trouble all turn at once to the lawmakers of the National Government for relief.

That I have always felt was the most dangerous feature of the protective doctrine—and no system is without its drawback—that it cultivates in the citizen a leaning on government and a lack of self-reliance which is harmful and dangerous.

And now the people seem to be learning to believe not only that federal laws make prosperity, but that they keep the Treasury full without expense to them, and that their special occupation is to decide how that Treasury can be emptied with most direct benefit to their locality. The very immensity of our country makes such a belief and habit dangerous. It is impossible for different sections to understand the comparative

needs and claims of each other. Their knowledge of conditions is not accurate enough to give them a sound basis for judgment, and there is not enough mutual sympathy and acquaintance to make them fair minded in their decisions, so that there is a constant struggle of each to obtain all that it can; and this, of course, leads to combinations, mutual concessions, and shameless logrolling, all of which adds expense and outlay to the Nation.

The fact that our national taxation is largely indirect and its burden unfelt by the mass of the people increases this tendency and encourages the desire to enlarge the national activities and divert as far as possible burdens from the state and municipality to the Nation.

I remember an incident in the political history of my own State which illustrates the change in the popular feeling toward national expenditures. A prominent and popular candidate for the Republican nomination for the office of governor was defeated because as a member of the Forty-seventh Congress he had advocated their river and harbor bill of the large and extravagant and outrageous amount of \$18,000,000. Recently a similar bill of \$87,000,000 was greeted with universal acclaim and enthusiasm throughout the State, and I have no doubt the popularity of our Members of Congress would have been increased if it had been \$100,000,000. So long as the Nation pays the bill, the State and the people concern themselves little about the amount of it. Their interest is only to appropriate as large a share as possible for themselves.

In local matters an era of extravagant expenditure is attended or followed by an era of increased taxes, and the relation between expenditure and taxation is so immediate and direct that the people feel it and recognize it, and a very wholesome check on extravagance is thereby constantly maintained.

But there is no such relation in our national finances because the taxes are not direct and the burden of them is largely unfelt, and so an administration can rush into expenses beyond its income without incurring that severe rebuke which would be such to follow if the people had to directly open their purses to make good the deficiency. The only check here is the impending disgrace of a bond issue. In England an administration whose expenditures exceeded its income by \$20,000,000 would be thrown out of power as incompetent and extravagant, and yet we allow our expenses to exceed our income by \$100,000,000 and the people, instead of being disturbed and rebuking us and demanding a stricter economy, are clamoring loudly for still larger outlays and are heedless of the deficit.

And now to remedy our impoverished condition this bill suggests an inheritance tax. I heartily favor the principle of such a tax. I know of none more easily paid and which involves less hardship or injustice. I was in the legislature of Massachusetts when such a tax was first adopted, and I favored it then and believe it can be broadened and increased there. But I do not think both State and Nation ought to cultivate the same field and extract taxes from the same source. There would be a rivalry in which ideas of fairness and justice would be apt to be ignored. I think that field of taxation ought to be left to the State, where, under the enlightening and socialistic tendencies of the age, expenses are largely increasing and new fields of expenditure are constantly opening and increased sources of revenue are indispensable. Moreover, an inheritance tax strikes so few that it is felt as little by the masses of the people as indirect taxes; and what the Nation needs to make it pay some heed to economy is a tax which the people will directly feel, which they will see results from large expenditures and can only be removed by retrenchment, and therefore they will pay some serious attention to questions of appropriations.

Now, all they ask is generous appropriations, the larger the better if they get a local share; and any critic is considered small and parsimonious. But if they felt in their pockets that they were paying the bills and that outgo must be balanced by income, I believe a healthier sentiment would grow up toward the National Treasury. I see no way of effecting that result except by having taxes which the masses of the people directly feel, although they are really no more burdensome to them, and which will increase or diminish, according to economy of administration.

Taxes on tea and coffee, it seems to me, would accomplish this end. They are purely revenue taxes, and their increase or decrease affects no industry here. They should be so heavy that it could not be shifted onto the middleman, but should bear directly on the people. They should be emergency taxes. When the Treasury was empty they should increase, and when it was full they should fade away. Then the people would have a direct interest in the condition of the Treasury. They would feel in their tenderest point, their pockets, the conduct of an administration or a party which allowed appropriations to

exceed income, and would be very apt to punish and rebuke such conduct, and we here, their Representatives, instead of feeling as we do now, that the only road to popular favor is liberal appropriations and that a spirit of economy is foolish and out of date, would be obliged, if we wished to keep the confidence of our constituents, to plan our expenses so that they could be met without the imposition of unpopular taxes.

England acts on this principle. The bulk of her revenue is raised by permanent taxes which require no action by Parliament from year to year. But in order to adjust the income closely to expenses, certain taxes are voted only a year at a time, and the rate is raised or lowered according to the necessities of the year. For many years the only taxes so treated were the income tax and the tax on tea, but recently beer, tobacco, and spirits have been included in the same class. These are all taxes which the people feel at once, which they fret under and wish to be relieved of, and will only endure when satisfied of their necessity, and so the popularity of the administration is always concerned in their reduction, and there is a constant stimulus toward economy.

England needs such a stimulus less than we do because she has a tremendous influence for economy in the fact that no appropriation can be made except when recommended by the Crown, which means by the ministers, so that Parliament can reduce expenditures below the estimates, but can never increase them. This gives vast power to the ministry and is a prodigious buffer against extravagance.

We see too often in our appropriation bills illustrations of the danger pointed out by Lowell in his work on the government of England, that "expenditures directly caused by the irresponsible action of private members may originate in personal or local feeling, and then be adopted through heedless good nature or skillful logrolling." I think we should do well to borrow from the longer experience of England and have some purely revenue taxes which the people would directly and keenly feel, which should move up and down automatically with the condition of the Treasury, and which would act as a constant admonition to the administration and the party in power to be thrifty and economical.

I think it would be well if it became the theory of our laws that emergency revenue should be raised by taxes on articles of universal use which would be universally felt and universally unpopular; that in cases like the present, when expenditure is largely outrunning revenue they should be resorted to for the deficiency, and the party in power should be held responsible for the conditions.

So I believe there would be a much needed impetus to the practice of economy in appropriations and the present deplorable state of public opinion might change. I see no other means of checking the constantly increasing raids on the Treasury which the broadening exercise of federal power is developing, and which if continued will lead to national bankruptcy. [Loud applause.]

Mr. FULLER. Mr. Chairman, I had expected to discuss at some length the questions involved in the subject of tariff revision, as proposed in the bill now under consideration; but having listened to the debate as it has thus far progressed, it does not now occur to me that there is any real occasion for further discussion of the subject, or that there are any new ideas which I might possibly advance that would tend to enlighten the committee on the subject under discussion. It has been repeatedly said, in the course of this debate, that this is no time for an academic discussion of the tariff. In that opinion I concur. It seems to me, further, that this is no time for an extended discussion, during the time allotted for general debate, of the particular schedules of this bill. In my judgment, this debate might well have closed with the elaborate arguments and statements of the gentleman from New York [Mr. PAYNE], chairman of the Committee on Ways and Means, and of the gentleman from Missouri [Mr. CLARK], ranking Member of the minority on that committee. They left little to be said, pro or con, as to the bill under discussion. I say this without disparagement to any other gentleman who has discussed the measure, but certainly it seems to me now that the discussion ought to close and early action be taken on the bill.

The country waits for such action, and prosperity is halted until it can be definitely known under what conditions the business of the country is to be conducted. More important than any schedule or any rate of duty is that the matter should be definitely settled, and that every business interest in the country should know what to expect and to depend upon as to tariff duties and taxation. I only desire to say now that I am a Republican, and therefore a protectionist. I believe, as firmly as I believe anything, in the Republican doctrine of protection to American industries and to American labor; protection of



the one is necessarily a protection of the other. Under all the circumstances, I am for this bill as it is.

In my opinion the members of the Committee on Ways and Means have labored honestly and faithfully to bring into this House the best bill possible in the interests of all the people of this country. I would amend the bill and change it in many particulars if I could; so would every other Member of this House, only each one would amend it in different particulars, and no two would agree upon all the schedules of the bill; and where one would give more protection the other would give less or repeal the duty entirely. Every tariff bill calculated to raise revenue or to protect the industries of the country must necessarily be a compromise, and we must each give up something to the opinions and interests of the others, and each separate section of the country must waive something for the general good. On the whole, I doubt if, with all the amendments that could be offered or which might be adopted, a better bill than the one now presented could be formulated, or one more nearly favorable and just to all interests and to all sections of the country. Therefore I say I am for this bill as it is, and hope in the interests of all our people and for the great business interests of the entire country that it may be speedily passed and enacted into law. The business of the country waits and prosperity halts until final action is taken by this Congress. Therefore I hope the debate upon this bill may soon be brought to a close; that the bill, with such amendments as may seem necessary, may as soon as possible become the law of the land. I hope it may prove that the law when enacted will produce sufficient revenue for the needs of the Government, and that at the same time it may reasonably protect all American industries and give full employment to all American laboring men. Then, indeed, shall we reasonably expect a return of the great prosperity that has heretofore been the good fortune of this Nation, and which has made the progress and development of this country the wonder and admiration of the world.

Mr. JONES. Mr. Chairman, there are many of the features of the tariff measure now under consideration which do not meet the approval of a majority of the membership of this House. Some of them have been the objects of the severest condemnation by Members on both sides of this Chamber. Few, indeed, if any, have been generally commended. I shall not attempt any general analysis of this wonderfully constructed measure. What I shall say will be confined to one of its provisions, which, thus far in this debate, has strangely enough escaped attention; but which, owing to the vastness of the interests to be affected thereby, deserves, in my opinion, the most serious consideration. I refer to sections 23 and 24, which purport to admit free of duty all material, equipment, and fittings entering into the construction and repair of vessels built in America to be employed in our foreign trade, including the trade between the Atlantic and Pacific ports of the United States. These sections correspond in exact words with sections 12 and 13 of the Dingley Act, and are therefore intended to continue those sections of the present law in full force and effect.

It may be true, Mr. Chairman, that when these sections were written into the Dingley law it was believed by those responsible for this legislation it would result in reducing the cost of American-built vessels to be used in our foreign commerce to such an extent as to contribute largely to the revival and rehabilitation of our decadent ocean merchant marine. If so, great, indeed, must have been their disappointment, since the experience of twelve years has demonstrated it to have been a veritable snare and delusion.

But whatever the authors of the Dingley law believed or hoped would be the effect upon our shipping interests of these so-called "free-material" provisions, those interests have long since realized their utter ineffectiveness; and the reenactment now of sections 12 and 13 of that law can only carry despondency and gloom to the hearts of the men who, with indomitable energy and unflinching courage, have for years striven against tremendous odds to avert the bankruptcy and ruin which long has threatened the great shipbuilding industries of the country and the utter and complete annihilation of the small remnant of that splendid ocean merchant marine, once alike the mainstay of our commercial supremacy and the glory of the Republic.

If, therefore, the reenactment of this legislation is to constitute the full measure of the relief hoped for by the shipping interest of this country at the hands of the party in power, and it seems that it is, then, indeed, may it well be written over the portals of this Republican Congress, so far as that interest is concerned, "Let those who would enter here abandon hope."

The chief if not the only reason no material is being imported by our shipbuilders and no ocean vessels being constructed in American shipyards out of tariff-free materials is that there is a strong string to this "free-material" provision of the law,

not visible to the ordinary eye, in the shape of a very important proviso, which declares that vessels receiving the benefit of the act shall not engage in the highly remunerative and thoroughly protected coastwise trade of the United States for more than two months in any one year except upon the payment to the Government of the remitted duties. It is this apparently innocent little proviso in the Dingley Act which has mainly operated to prevent American shipbuilders from taking advantage of the "free-material" privilege, thus rendering inoperative and nugatory the entire section, inoperative because the experience of twelve years has abundantly demonstrated that the owners of American-built, American-owned, and American-manned ships will never consent to be perpetually barred from participating in the domestic trade of the country whose flag they fly in return for the privilege, which as a natural right should be theirs, of purchasing the material out of which their ships are constructed free of duty. Under the navigation laws of the United States the ship that touches at even two domestic ports, although virtually wholly engaged in foreign trade, is deemed to be, on that account, engaged in the coastwise trade. For instance, if an American-built vessel engaged regularly in our foreign commerce between the home port of Philadelphia and that of Liverpool, England, should touch at the port of New York on either its outward or its homeward voyage, it would be deemed to be also engaged in the coastwise trade, and if so engaged for sixty days in one year, and if the materials out of which it was constructed had been admitted free of duty, its owner would be compelled under this law to pay to the United States the duties which had been rebated.

The same would be true of the ports of Norfolk and Newport News, in my State, although those ports are in close proximity the one to the other. It is this unjust and burdensome, unpatriotic, and unpatriotic restriction which has so effectually prevented the use of tariff-free material in American-built ships, and which will continue so to do so long as this law is in existence. It is because of this that I urge the Republican membership of this House not to stultify themselves by the reenactment of the twelfth section of the Dingley law. It will accomplish absolutely nothing for our shipping interests and it will deceive absolutely nobody. No good purpose can possibly be accomplished by reenacting a law which is a dead letter upon our statute books. The owners of one, and only one, American ship—the *Dirigo*, as I am informed, built by Arthur Sewall & Co., of Maine—have ever availed themselves of this absurd and preposterous, if not intentionally deceptive, "free-material" clause of the Dingley bill, and that vessel, I am also informed, has proven, as might have been anticipated, a complete financial failure.

But, Mr. Chairman, if what I have said about these two sections has not convinced every Doubting Thomas of their utter ineffectiveness and futility, I will add that several, at least, of the best informed of the high priests of Republicanism at the other end of this building are upon record as admitting the truth of my contention.

In a voluminous report from the Committee on Commerce at the first session of the Fifty-ninth Congress, submitted by Senator GALLINGER, in which the effect of this identical "free-material" privilege is considered, I find this sentence: "This free-material privilege has had no appreciable success in checking the decline of ocean shipbuilding in America." And this report goes even to the length of saying: "The truth is that tariff-free materials do not touch the root of the difficulty at all."

And yet it is by the reenactment and continuance upon the federal statute books of such Republican discredited legislation as this that that party now proposes to redeem its many solemn platform pledges to the people of the United States to restore the American merchant marine. It is such insincere, idiotic, and impotent legislation as this through which the pledge of the last national Republican platform "to advance the merchant-marine prestige of the country" is to be fulfilled, and this is the legislative means it proposes to employ to "encourage and build up the American merchant marine," which it is further declared, with brutal frankness, in the platform upon which Theodore Roosevelt was nominated, "has not for many years, received from the Government of the United States adequate encouragement of any kind."

It was in 1897, Mr. Chairman, that this legislation was enacted, and yet, three years later, the platform upon which the late William McKinley was nominated had this to say on the subject of our merchant marine:

Our present dependence upon foreign shipping for nine-tenths of our foreign carrying trade is a great loss to the industry of this country. It is also a serious danger to our trade, for its sudden withdrawal in the event of European war would seriously cripple our expanding foreign commerce. The national defense and naval efficiency of this

country, moreover, supply a compelling reason for legislation which will enable us to recover our former place among the trade-carrying fleets of the world.

What stronger Republican testimony can be adduced to establish the insincerity of Republican professions on the subject of our merchant marine, and to convince the blindest adherent of that party, that it has not done and does not intend to do anything to restore our ocean shipping to its once proud position of preeminence upon the navigable waters of the globe.

It is not necessary, I think, that I attempt to depict the deplorable condition of the American shipping industry. It is admittedly the one great American industry which has received absolutely no protection, yea even no encouragement, at the hands of the party which boastfully proclaims itself the great party of protectionism. It not only has been afforded no protection, but, as I shall later on attempt to show, it has been delivered bound and helpless into the hands of the most grasping, rapacious, relentless, and powerful of all the great trusts that afflict humanity. Let me read to the House how this Gallinger report describes its condition. It says on page 4:

The decline of our ocean shipping, our one unprotected industry, has ruined shipowners and shipbuilders alongshore from Eastport to Galveston and from San Diego to Puget Sound. It has impoverished and scattered our shipyard mechanics, the most skilled in the world. It has robbed the country of the hardy officers and seamen who should constitute our naval reserve; but it has done more than this—it has choked the normal growth of the export trade of the United States to four of the five other great continents. Therefore, there is not a wheat farm in the Dakotas, a cattle ranch in Texas, or a cotton plantation in Mississippi, Georgia, or the Carolinas where the loss of American shipping has not made itself felt in shrunken sales and opportunities for profit.

This, Mr. Chairman, according to very high Republican testimony, was the condition of the American merchant marine a little over three years ago. Was there ever a severer or a more accurate and truthful indictment framed against Republicanism than this? It is no exaggeration to say that the condition of our ocean merchant marine is infinitely worse to-day than when it was drawn. During the fiscal year ending June 30 last less than 10 per cent of our exports and imports were carried in American bottoms. Thus far in the current year the percentage has been even lower, and the tendency is steadily downward.

For sixty years prior to the civil war Democratic statesmanship directed the policies of our Government, and during all that period the growth and prosperity of the American merchant marine was the marvel of the maritime world. Under the wise legislation, just treatment, and fostering care of the Democratic party, American vessels not only carried the great bulk of our foreign commerce, but a considerable proportion of the ocean commerce of the universe as well.

The first measure for ship protection was passed in the year 1789, it being embodied in the original tariff act of the First Congress. It provided that all goods imported in American vessels should pay lower rates of duties by 10 per cent than those imported in foreign ships, and it thus established the Democratic doctrine of discriminating duties. A little later in that Congress additional protection in the form of discriminating tonnage dues was given to American vessels. In 1794 the method of discriminating in favor of our ships was changed. Instead of a rebate of 10 per cent of duties on goods brought in American ships it was provided that 10 per cent be added on those imported in foreign ships. These acts gave an immediate impetus to the shipbuilding industry in the United States, and for many years thereafter American vessels carried more than 90 per cent of our foreign commerce, and their sails whitened the seas of every country on the globe.

To recite the various acts and changes of the succeeding forty or more years would require more time than is at my disposal as well as tax the patience of the House. It is sufficient to say that the underlying principle of the whole of this legislation was that the standard rates should be for goods "imported into the United States in ships or vessels of the United States." In the year 1825 our merchant vessels carried 92.4 per cent of all our exports and imports, and two years later they carried 94.3 per cent of our imports and 87.5 per cent of our exports. It was not until 1849 that Great Britain accepted the reciprocity provisions of an act passed by Congress in 1828, and even in that year 75 per cent of all our foreign trade was carried in American bottoms. Indeed, even as late as the beginning of the civil war our vessels were carrying 66 per cent of all our exports and imports. In the year 1855, 381 ships and barks and 126 brigs were launched in the United States to be employed in our foreign commerce. In the year 1908 there was not one. The decade between 1850 and 1860 was truly the golden age of the American merchant marine. Surely this is a record of constructive statesmanship and high achievement of which the Democratic party may well be proud. What a contrast it pre-

sents to that of the Republican party during the almost half century that it has controlled the policies of this Republic!

The least thoughtful consideration of the history of the American merchant marine, which I have so briefly outlined, can not but force every intelligent mind to the alarming conclusion that the last vestige of American vessels engaged in foreign commerce is in imminent danger of being swept from the seas, and that our ocean shipbuilding industries are seriously threatened with utter extinction.

Facing these alarming conditions, it may well be asked if the reenactment of the provisions of the Dingley law, to which I have called attention, is to constitute the full measure of that relief which the Republican party has promised the shipping interest in all of its recent national platforms, and which we have been assured over and over again by every Republican President, from Harrison down to the present administration, would be afforded if that party were continued in control of the Government.

Does this Republican Congress realize that but recently 2 of the only 7 American vessels which during last year were engaged in regular trans-Atlantic commerce have passed under a foreign flag? Two years ago there were 15 American steamships regularly crossing the Pacific. Now, we are told by the Commissioner of Navigation, there are only 6. And there is not a solitary steamship flying the Stars and Stripes on any route to Africa, Australia, or even to South America beyond the Caribbean Sea and the Isthmus of Panama. The withdrawal of considerably more than half of the American merchant fleet from the trans-Pacific trade within so short a period has an even more important bearing upon the commerce of this country than would at first appear. As the Hawaiian Islands are now possessions of the United States, all trade and commerce between them and ports of this country, under the navigation laws which have existed since 1817, is confined to vessels of the United States; so that if the time shall come when the Pacific Mail Company's ships are either withdrawn from their present route or pass under some foreign flag, neither of which contingencies is by any means improbable, it will be up to Congress either to establish a line of government owned and operated ships between San Francisco and Honolulu, or to repeal to this extent at least our coastwise laws.

If under such a condition of affairs neither of these courses should be adopted, the only means of communication, so far as passengers, at least, are concerned, between this country and Hawaii would be such as our ships of war might afford. Then, too, these five ships of the Pacific Mail Company are all manned by Chinese sailors, and in the event of any serious trouble with China it must be expected that they would quit their employment, in which event not one of them could be profitably operated. These ships, with the single exception of the *Minnesota*, to-day constitute our entire trans-Pacific merchant fleet, and when they vanish, what then, may I ask, is to become of the American trade with the Orient, of which we have heard so much in recent years upon this floor?

But, Mr. Chairman, to me the most serious aspect of this deplorable situation is the fact that we are practically without regular, direct, and certain means of communication with our sister Republics of South America, the enormous trade possibilities with which can not be overestimated. There is not, as I have said, a single line of American steamships engaged in this trade. Even the vessels of the foreign lines running out of New York to South American ports are so poorly equipped, of such slow speed, so infrequent, irregular, and uncertain in their voyages, that most of the passengers, much of the freight, and practically all of our mails for South America go by way of Liverpool and London, thus twice crossing the Atlantic Ocean. Such a serious handicap to our South American commerce as this means is beyond expression in mere words. It is simply an intolerable condition, the contemplation of which is saddening to every patriotic American heart. It is a burning shame and a reproach to the American people. It is a reflection upon the patriotism, as well as the statesmanship, of the Republican party.

It will be recalled by Members of this House that some of the delegates from this country to the Third Pan-American Congress, held in Rio de Janeiro in 1906, were compelled by force of circumstances to sail from New York direct to South America. As there was, and still is, no American line, they were obliged to go by a foreign line. In order to accommodate them, it became necessary to consume three weeks in scouring and cleaning the best ship by which they could secure passage before the voyage could be begun. The remainder of the delegates, fortunately for them, had gone by way of Europe, and it is scarcely necessary for me to add that all returned by that more expensive and most circuitous route. The experience of



these delegates is but confirmatory of the undeniable fact that nobody who can avoid doing so ever travels on the regular liners plying between New York and South American ports.

Mr. Chairman, the Republican panacea for these lamentable conditions, as embodied in sections 23 and 24 of the free list of this bill, when fully understood and realized, will, if I mistake not, arouse the just indignation of all honest and patriotic people against the party of false promises and broken pledges.

There are, Mr. Chairman, at least three remedial policies which Congress might pursue if it really were the desire of the Republican party to restore our ocean merchant marine to its former prestige. No one of them, however, I think, could alone accomplish this purpose; but, taken together, in my judgment, they would go a long way toward solving this admittedly difficult problem.

There are some people who insist there is but one way by which our ocean shipbuilding industries can be resuscitated. This class favors the adoption by Congress of a tremendously expensive, general, and comprehensive system of subsidization. There are others, too, who think that the true remedy lies in free ships. They hold that American citizens should be permitted to purchase ships wherever they can be bought cheapest, since, as is well known, ships not built in American yards can not now receive American registry and fly the Stars and Stripes. In this respect, at least, our navigation laws are unique.

I grant you that "subsidies," "subventions," or "bounties"—these being the terms indifferently applied, according to individual taste or fancy, to describe those payments out of the Public Treasury in aid of private enterprise, which are neither more nor less than direct gifts or gratuities—if sufficiently large, assuming that they will be applied with some judgment and discretion, would greatly stimulate our shipbuilding interests. I question whether free ships would accomplish as much, but I do not believe that either policy will ever be resorted to—certainly not in the near future. Those who think that free ships alone would restore our ocean merchant marine fall, I think, to take into account the great difference in the cost of operating American and foreign ships.

As a general if not invariable rule, the advocates of subsidies are opposed to free ships, and vice versa. They can no more unite in favor of the one or the other of these two propositions than water can mix with oil.

At any rate it is to be hoped that the old ship-subsidy proposition, which was before Congress for ten years or more in one form or another, will never again be brought forward. It was not only vicious in principle, but it would never have accomplished what was claimed for it by its advocates.

No one, I think, should fail to distinguish between ship subsidies paid in direct bounties out of the Public Treasury in aid of purely private enterprise and payments out of our postal funds for services actually rendered in carrying our ocean mails in American vessels. I am as heartily in favor of the latter as a legitimate means of extending our foreign commerce and aiding in the upbuilding of the American merchant marine as I am unalterably opposed to the former.

Mr. Chairman, the more study and thought I have given to this problem the more firmly am I convinced that a return to the time-honored Democratic policies of discriminating duties and discriminating tonnage taxes would be two long steps toward the restoration of our ocean merchant marine. If, in addition to the imposition of such discriminating duties and tonnage dues, as I have indicated, Congress will remove the indefensible duties upon all material which goes into the construction of a ship, especially those upon wire rope, plates, tees, angles, beams, and shapes, this country will, I firmly believe, witness such a revival in our shipping industries as has not been known for many long years.

The objections which are urged to the imposition of discriminating duties and discriminating tonnage dues by those who offer in their stead only gratuities and bounties to be paid directly out of the Public Treasury are that there are commercial conventions or agreements with certain foreign nations which stand in the way of this course and that, even were these obstacles to be overcome, conditions are so changed that the imposition of discriminating duties would not give to our vessels the same measure of protection which was afforded in the early days of the Republic.

It is true that there are quite a number, thirty-nine in all, of these conventions with Great Britain and other maritime countries which provide for reciprocity in the treatment of American and foreign vessels in their respective ports; but it is equally true that they all provide in terms for their abrogation upon one year's notice given by either party. If their modification can not be effected, then this notice should be given. These

agreements surrender our commercial independence, hamper and fetter American enterprise; and they should be either modified or entirely abrogated at the earliest possible moment.

It is a melancholy fact that since our misnamed reciprocity policy was first inaugurated we have been steadily losing our foreign carrying trade. Indeed, the whole history of our reciprocity legislation proves that the United States have been steadily the losers, for genuine reciprocity can not exist where there are not mutual and equal concessions.

It would be an easy task to point out just where the United States have suffered by reason of their various so-called "reciprocity trade agreements" with Great Britain and other maritime countries. I shall content myself with citing one instance in which the advantage has been wholly on one side, and that side not our side. The act of Congress of June 19, 1886, exempts from tonnage taxes in American ports vessels coming from foreign ports in which American vessels are exempted from tonnage or light-house dues. Because of the small extent to which American vessels participate in our over-seas carrying trade there is more apparent than real reciprocity involved in the terms of this act. So far as it applies to Holland and the Netherlands there is absolutely no reciprocity involved, for ships from Holland and the Netherlands escape all tonnage taxes in this country, and none of our ships go to those countries. This is a fair illustration of the practical working of many of our idiotic so-called "reciprocity laws and treaties." The very bill we are now considering directs the President to take the necessary steps to abrogate one of our treaties. Will any intelligent man claim that this law should not be modified, if not repealed?

It is true, Mr. Chairman, that conditions are somewhat different now from what they were in the first part of the nineteenth century. We now have, what did not then exist, a large free list. But the dutiable list is still very large, and likely to remain so, and, besides, the percentage of the discriminating duties could and should be materially raised, if necessary, to meet these altered conditions. If 10 per cent would not now afford the amount of protection needed, it could be raised to 20 per cent, if necessary to do so. Our tonnage taxes are now, I believe, lower than those of any other maritime country, so that practically about all we are now doing in the foreign shipping business is to furnish wharf and dockage privileges for the accommodation of our foreign rivals, and light-houses, light-ships, and life-saving stations for their safety and protection. These dues, if raised to foreigners, would afford much relief to American shipping, as well as increase the public revenues.

The real reason—and it may as well be admitted because it is apparent to everybody—why the Republican party persistently and obstinately refuses to resort to these time-honored and obviously wise methods of reviving our ocean shipping is that the great, highly protected, and all-powerful United States Steel Corporation will not permit a trust-ridden Congress to give tariff-free material to American ocean shipbuilders. And, as everybody knows, all the trusts and other highly protected industries of the United States are opposed upon general principles to the lowering of duties upon importations in American bottoms. Under conditions such as these it is, I fear, too much to hope that any Republican Congress will ever adopt the legitimate, just, and effective measures which long experience, common sense, plain duty, fair dealing, and simple honesty all suggest.

Mr. Chairman, in view of the present attitude of the Republican party in regard to discriminating duties, it may not be amiss to recall to the memory of the Republicans of this body the significant fact that the national platform of 1896—that upon which William McKinley first became a candidate for the Presidency—declared in the clearest and most unequivocal terms in favor of "discriminating duties for the upbuilding of our merchant marine." Lest it be thought, in view of the subsequent declarations and history of the Republican party on this subject, that there must be some mistake about this, let me read the entire merchant-marine plank of this platform:

We favor restoring the American policy of discriminating duties for the upbuilding of our merchant marine and the protection of our shipping in the foreign carrying trade, so that American ships—the product of American labor, employed in American shipyards, sailing under the Stars and Stripes, and manned, officered, and owned by Americans—may regain the carrying of our foreign commerce.

Mr. Chairman, "commercial agreements" and "free lists" did not appear to present such obstacles in the way of discriminating duties in the year of our Lord 1896 as they did only one year later, when the Dingley tariff measure was framed, if the declarations of Republican platforms are to be seriously accepted. For let it not be forgotten that each and every one of these reciprocity agreements had been signed, ratified, and promulgated prior to the adoption of this solemn platform pledge. The last of them all, that with Japan, was promulgated as early

as March 21, 1895, and the Republicans who composed the convention which adopted this "discriminating-duty" declaration must therefore be presumed to have known of their existence. In view of this record it would seem to be pertinent to inquire when the Republicans who now regard our reciprocity conventions as insurmountable obstacles in the way of returning to the "American policy of discriminating duties" made this rather surprising discovery? My guess is that it was made when the steel trust and the other beneficiaries of a high-protective tariff informed the framers of the Dingley tariff bill that such a proposition would not for a moment be tolerated by them. Evidently the Republican view of party platforms is that they are like those of the railroads—good things to get in on, but not safe to stand on when once in.

The facts which I have presented bearing upon the decline of our foreign shipping interests are incontestable. The best-informed Republicans not only do not deny that their party is responsible for the present lamentable conditions, but they have been forced to admit it. Gen. Charles H. Grosvenor, for many years prior to the last Congress a distinguished Member of this House and chairman of the Committee on the Merchant Marine and Fisheries, declared in a letter, which has been printed as a public document, that the shrinkage of our ocean merchant marine to a third of what it had been in 1861—he might with truth have said to less than a sixth—was "a disgrace to the Republican party, the one great Republican failure, the one deepest blot on Republican administrations." In an eloquent panegyric upon the alleged achievements of the Republican party, delivered upon this floor a few weeks ago by the gentleman from New York [Mr. FASSETT], that gentleman said, speaking of our foreign shipping:

This industry of carrying goods upon the high seas is the one American industry that has been slaughtered upon the altar of protection. I have no qualms in facing it. I agree with the gentleman from Mississippi for once, and I agree with the gentleman from Missouri for once, that the protective tariff has slaughtered our American merchant deep-sea marine.

Mr. Chairman, the enemies of the Republican protective-tariff system have justly laid many sins at its doors; but it has been left to two of the most eminent members of that party—two of the ablest of the defenders of the system of legalized robbery—to paint it in its blackest and most repulsive colors.

It is undeniably true that the Republican party, at the behest of the steel trust and its allied interests, has sacrificed our foreign shipping upon the altar of protection, for whilst there are many flourishing shipyards in this country engaged exclusively in building and repairing vessels employed in our protected coastwise trade—that were, at least, prospering up to the beginning of the present fiscal year—there are only some ten that build ships for the ocean foreign-carrying trade. For years, owing to the handicaps under which they have labored, they have almost wholly ceased to build this character of merchant ships, and but for the naval construction which they have been able to secure they would all long since have been driven into bankruptcy. These great shipyards represent a capital of \$50,000,000, and at the beginning of the current fiscal year were giving employment to 20,000 skilled mechanics and laborers. Seven of these yards are located upon the Atlantic seaboard and three on the Pacific coast. The great Newport News Shipbuilding and Dry Dock Company, the largest single shipbuilding concern on this continent, and the best equipped, if not the largest, on the globe, is located within the district which I have the honor to represent here. It has suffered in common with all the others, if not to the same extent as some of them. Nine months ago it had upon its pay rolls 5,700 men. To-day there are only about 3,800, whose salaries aggregate something over \$40,000 per week. A few years ago this great industry employed nearly 8,000 men and paid out to them as much as \$80,000 a week. This is what Republican policies have done for these great works—this illustrates how they have been "sacrificed on the altar of protection."

In all seriousness, I ask can Congress, can even the Republican party, afford to thus sacrifice a great industry like this. At the yards of this company 7 of the 16 battle ships which recently encircled the globe, and many of the splendid cruisers, and other vessels which constitute our well-nigh matchless navy, were constructed. Two of the 6 magnificent ships which constitute what still remains of the American merchant fleet in the Pacific, and the swiftest of all the greyhounds that plow the waters of that broad ocean, are the products of these mammoth works. It was here, too, that the *Delaware*, the largest battle ship afloat, was recently launched.

Can it be possible that this Congress can feel no pride in a great national industrial enterprise such as this? The shipbuilding and shipowning interests of America go hand in hand—

the prosperity of the one must ever depend upon that of the other. [Applause on the Democratic side.]

Mr. McMORRAN. If the gentleman will allow me, I notice that he is interested in the building up of the merchant marine. There seem to be many difficulties existing to-day that are insurmountable by the American people. Has it ever occurred to the gentleman that we are building up an immense navy, and that at the present time we are short of the necessary auxiliaries for that navy? Would it not be well for the American Congress to appropriate money enough to build auxiliaries for the navy, and let the United States Government equip and fit them for the merchant marine, running to South America, say, and to eastern ports as the demand might require? I suggest that in that way, inasmuch as private capital can not at the present time be induced to enter this business, inasmuch as the Government needs these auxiliaries and the men to equip them, it would be much cheaper for the Government of the United States to have the men and the auxiliary ships employed in the merchant marine, carrying whatever business might be secured, than it would be to build the necessary auxiliaries and maintain them lying at the docks and doing nothing.

Mr. JONES. Mr. Chairman, I believe that if the great disadvantages under which the ocean shipping interest of this country has so long labored were removed private capital could readily be induced to build American ships. I agree with the gentleman that we sadly need these auxiliaries; but I should hesitate long before giving my assent to having the Government enter upon the business of building merchant ships, when, by merely enacting the proper legislation—legislation which we do not enact simply because the all-powerful United States Steel Corporation insists that we shall not—our merchant marine would be relieved of the intolerable burdens now imposed upon it. Properly encouraged we would have that merchant marine which the gentleman and I both so much desire, a merchant marine which, in time of war, might be used as an auxiliary navy. Remove the fetters now imposed upon our ocean merchant marine and we will soon have American-built and American-owned ships which, in an emergency, could be quickly converted into naval scouts and cruisers, transports and colliers.

Mr. McMORRAN. Will the gentleman kindly state what the fetters are which are now hampering the building up of our merchant marine?

Mr. JONES. That is exactly what I have already endeavored to do. I have stated that of all our American industries this one alone has been left unprotected, and I have endeavored to point out how and why this is. Republicans tell us, in effect, that it is not because they love the merchant marine less, but that they love the steel trust more. I am inclined to accept this view.

Our coastwise shipping, having a monopoly in our domestic trade, has heretofore prospered, although denied the privilege of tariff-free material. How much longer it will continue to do so, I can not say. The last fiscal year was a most prosperous one for that trade; but I am informed by the Commissioner of Navigation that during the last two or three months of the current fiscal year the falling off in the total tonnage built has been amazing, as compared with the corresponding period in the last fiscal year. I should like to see the tariff removed from material used in the vessels exclusively employed in our domestic trade; but since they are given, under our navigation laws, an absolute monopoly in that immense trade, they do not, of course, stand in the same need of tariff-free materials as do the ships engaged in the foreign trade, which compete on the open high seas with the merchant vessels of every maritime nation on the globe.

If I have not succeeded in convincing the House that the remedies I suggest for the resuscitation of our dying ocean merchant marine will accomplish what is claimed for them, I at least hope that I have been able to demonstrate that this bill, if enacted into law, will not give to it tariff-free material, and that its authors are not, or at least should not be, ignorant of this fact.

The shipping question is one in which the people in every State of the Union are deeply concerned—those who dwell in the interior as well as those whose abode is upon the seacoast. Mr. Jefferson said that agriculture, manufactures, commerce, and navigation constituted the four pillars of our prosperity. In the extent of our coast lines and the magnitude of our foreign commerce we are unsurpassed by any country on the globe. To build our own ships and to carry our foreign as we carry our domestic commerce is our bounden duty and our inalienable right. And yet, entitled by every natural advantage to take first place among the maritime nations of the earth, we have been content for nearly half a century to follow in



the wake of even the smallest and the weakest of our commercial rivals.

Mr. Chairman, if we would rehabilitate our rapidly decaying ocean merchant marine, if we would regain that commanding position upon the seas once ours, it is imperative that we adopt with the shortest possible delay some definite and well-considered, some consistent and sane policy, in regard to our foreign shipping. The unparalleled growth and prosperity of our domestic shipping is wholly due to the wise policy so firmly established by the navigation act of 1828, and I do not doubt that Congress can, if it will apply itself to the task with high and patriotic resolve, evolve a permanent system of encouragement and protection, sound in economy and wise in principle, such as will cause to flourish once again the most deserving as well as the most ancient of American industries. [Applause on the Democratic side.]

Mr. SCOTT. Mr. Chairman, in the very able and entertaining speech which he made in the House on the 24th of March the gentleman from Missouri [Mr. CLARK] used the following language:

While I am making these preliminary statements, and I do not think I am wasting time in making them, I want to say a word about the Committee on Ways and Means. I say now that no 18 men—because there were only 18, Mr. Granger being sick with the disease which finally proved fatal to him—no 18 men, Democrats and Republicans both, in the history of this country ever did harder, more tedious, more fatiguing, or more honest work than the 18 members of the Ways and Means Committee did in these hearings.

And a little later he added:

I am not complaining. We simply did our duty; but I have no doubt that it shortened all our lives. We not only worked like galley slaves while other people were taking their ease, but we tried to ascertain the truth.

There is nothing in this statement, Mr. Chairman, that is in the nature of news to those of us who have been here during the past winter and have been personal witnesses of the unwearied industry and faultless fidelity with which our honored colleagues of the Committee on Ways and Means have devoted their days and nights to their important and really stupendous task. We do not need any evidence either, other than our personal acquaintance with them, to convince us that any measure of legislation coming from their hands would be framed with no other thought than to deal justly by all the people and to promote the general welfare.

Nevertheless, I am glad that the distinguished leader of the minority took the opportunity to pay this deserved tribute to his colleagues on the Committee on Ways and Means because of the assurance it gives to the country that this bill has been considered honestly and in good faith. The gentleman from Missouri is not given to the distribution of empty and conventional compliments. He is not prone either to overlook an opportunity to make a point against a political opponent. This certificate of honest effort, coming from him, will therefore be taken at its par value throughout the country.

He will oppose the bill, of course; but he will do it, as I understand his speech, because he disagrees with the fundamental principle upon which the bill is constructed and not because he believes there is any sinister influence or any unpatriotic purpose behind its provisions. It is characteristic of the gentleman from Missouri, who always fights fair, to have made this distinction clear, and as one member of the majority, I wish to express my appreciation. [Applause.]

Mr. Chairman, looking at this measure from the standpoint of a protectionist, I find as little in it to condemn as my friend from Missouri, viewing it from the standpoint of one who holds to the doctrine that a tariff should be levied for revenue only, has found in it to commend. Taking it by and large, it seems to me it meets absolutely and in good faith every pledge of the Republican platform and the reasonable expectations of the country. In the main it is logical, consistent, and well balanced, and I am inclined to think we may well congratulate ourselves if it is finally written upon the statute books in as good shape as it comes from our committee.

Excellent, however, as the bill is in its main features, I am not among those who would be willing to vote for it as it stands without making at least an effort to change some of its provisions. I realize what a tremendous task it is to construct a tariff bill, and when I remember that 12 very able and wholly honest men have given their days and nights for long weeks and months to the study of the subjects embraced within this bill, and that its schedules represent their composite judgment, it is with a great deal of diffidence that I express dissent from any of these schedules.

And yet I remember that a tariff bill, to a greater extent, perhaps, than any other class of legislation, must of necessity be a series of compromises; that in balancing the claims of different sections of the country, with their varied and often con-

flicting interests, it is nearly impossible that absolute justice should be done in every case; and I think it is the duty of a Representative who believes that the views or interests of his constituents have not been sufficiently considered to enter his protest, and endeavor in every proper way to have such changes made as the facts may seem to warrant.

Believing this, and voicing, as I think I do, the sentiments of a large majority of the constituents that I have the honor to represent here, I wish to speak very briefly of some of the changes I would like to see made in this bill.

In the first place, I should like to see the provision for an inheritance tax stricken out. I have expressed this opinion not because I dissent from the proposition that inheritances should be taxed; on the contrary, I am in hearty accord with that doctrine. But it seems to me, in view of the fact that 33 or 34 States of the Union have already entered this field, that they have obtained thereby a sort of prescriptive right to it which ought not now to be invaded by the Federal Government. As evidence of the sentiment in one of these States, I send to the Clerk's desk and ask to have read a house concurrent resolution passed by the legislature of Kansas.

The Clerk read as follows:

House concurrent resolution 24.

RESERVATION OF INHERITANCE TAXES TO THE STATES.

Whereas the several States are now taxing inheritances with marked success and need all the revenue that can properly be drawn from this source; and

Whereas the Federal Government can readily raise additional revenue, when required, from other sources: Therefore be it

Resolved by the legislature of the State of Kansas:

First. That the taxation of inheritances should be reserved to the several States as a source of revenue for their exclusive use and benefit.

Second. That the legislature of the State of Kansas hereby respectfully requests and urges the several Senators and Representatives representing the State of Kansas in the Congress of the United States to support a properly drawn joint resolution when proposed for adoption by the two Houses of the Congress, declaring it to be the policy of the Federal Government to refrain from the taxation of inheritances for federal purposes, and to reserve this source of revenue for the exclusive use and benefit of the several States.

I hereby certify that the above concurrent resolution originated in the house and passed that body February 20, 1909.

J. N. DOLLEY,  
Speaker of the House.  
W. T. BECK,  
Chief Clerk of the House.

Passed the senate March 4, 1909.

W. J. FITZGERALD,  
President of the Senate.  
Z. E. WYANT,  
Secretary of the Senate.

Approved March 5, 1909.

W. R. STUBBS, Governor.

Mr. SCOTT. Mr. Chairman, I shall seek an opportunity to vote against the inheritance-tax provision in this bill, not only out of deference to the sentiment expressed in the resolution that has just been read, but because that sentiment meets with the approval of my own judgment. It has been repeatedly stated in the course of the debate upon this clause that there are already some 33 or 34 States which tax inheritances. Obviously, therefore, if the Federal Government enters this field, it means either that the State must abandon this source of revenue or that we will have imposed upon the people a system of double taxation, which is always odious and usually unjust.

Mr. COX of Indiana. Will the gentleman yield for a question and explanation?

Mr. SCOTT. Yes.

Mr. COX of Indiana. Whether or not the system of double taxation, in a measure, does not obtain even in the States? For instance, the people are taxed all over the State for state purposes, and they are taxed in cities and towns not only for the benefit of the municipalities, but a tax is also imposed upon them for the benefit of the State.

Mr. SCOTT. That is true. Of course, under our system of government the people must support all of their governmental institutions, local, state, and federal. I referred to the fact only that the passage of this section in this bill would impose a double taxation upon the same sort of property, the same kind of transfers of property.

Mr. BARTLETT of Georgia. Will the gentleman yield for a question?

Mr. SCOTT. Yes.

Mr. BARTLETT of Georgia. I understood the gentleman to state that he is opposed to this provision. Now, the theory upon which the State taxes or any government taxes inheritance, is that the State by statute authorizes the transfer of property by deed, by will, or other conveyance. Now, the United States does not grant that power to a citizen of a State and is not a sovereign in that regard. Is not there a distinction to be drawn in that respect?

Mr. SCOTT. Mr. Chairman, I do not think there could be any objection to the imposition of this tax by the Federal Government except the one I mention, that the field has already been entered upon by state governments. We have heretofore in times past levied a tax upon the transfer of property, upon deeds and mortgages, and instruments of that character. I think there is no question but what the Federal Government has abundant right to levy such a tax.

Mr. BARTLETT of Georgia. There is the internal-revenue tax.

Mr. SCOTT. I only protest against the policy of it in view of the action of the several States.

Mr. Chairman, I should like also to have an opportunity—and I have no doubt I shall have, and I shall gladly avail myself of it—to vote to put lumber on the free list. This question has been considered at such length in the House in the course of this debate that I do not intend to weary the committee at this time with a protracted discussion of it. It seems to me, however, that if there is any one subject of taxation upon which the people have declared their opinion, it is in relation to the duty on lumber. It is true that in certain sections of the country, where the lumber industry is a dominant one, the sentiment doubtless is in favor of the duty, but in the rest of the country, comprising the great bulk of the population, the sentiment is as nearly unanimous in opposition to such a tariff as it ever has been on any one subject, and I believe myself that this sentiment is well founded.

I am not of the opinion that the removal of the duty on lumber would make any particular change in the retail price of that product. It has always seemed to me preposterous to charge up the recent great advance in lumber, an advance of 60 to 100 per cent, which has taken place in the last ten years, to a tariff of only \$2 per thousand, which has remained the same throughout that entire period. Yet it does seem reasonably clear that the imposition of this tariff promotes speculation in stumpage, which has already gone to an extent that seems to me to be deplorable, and which is no doubt responsible more than any other one thing for the increase in the retail price of lumber; and if by striking down this tariff we can restrain in some degree this speculation, I think we will have done well. I should not feel very strongly against the moderate tariff carried in this bill on lumber if it were plain and straightforward, and meant nothing more than it said. But there is a limiting proviso, which seems to me to break the promise to the hope which the other schedule makes to the ear. The proviso I refer to is as follows:

*Provided, That if any country, dependency, province, or other subdivision of government shall impose an export duty or other export charge of any kind whatsoever upon, or any discrimination against, any forest product exported to the United States, or if any country, dependency, province, or other subdivision of government forbids or restricts the exportation of any forest product to the United States in any way, there shall be imposed upon all of the forest products of such country when imported into the United States the duties prescribed in section 3 of this act during the continuance of such export duties, charges, embargo, discrimination, or restriction.*

As I understand the situation which exists in Canada, the enactment of this proviso into law would mean practically the maintenance of the duties levied in the Dingley bill upon lumber, and I think this Congress would be justly criticised if it should enact a provision which in effect imposes the duty carried in the old bill while pretending to cut that duty in half.

I am of the opinion also that to remove the duty on lumber will tend to conserve our forests. That is another question upon which I do not care to enter at length. It would seem, however, to be clear to anyone that if we can extend the area of the territory from which we draw our supply of lumber the draft upon any particular part of that territory will be correspondingly reduced. If we can open the forests of Canada to the people of the United States, it is certain that the drain upon our own forests will be lessened.

I am of the opinion also that hides should be restored to the dutiable list as they are under the existing law. This is another question which has been debated at such great length that I shall not consume much time in discussing it. Let me say briefly that the argument appeals to me in this way: The removal of the duty would do one of two things, it would either reduce the price of hides or it would not reduce the price. That far at least I think I am safe. If it does not reduce the price of hides, then no good has been accomplished to any industry, and the Treasury of the United States has simply been mulcted by whatever tariff has heretofore been or would hereafter be collected from that source. If it does diminish the price on hides, it seems clear to me that the man who produces the hides will ultimately stand the loss.

There has been a great deal of question as to whether the advantage would go to the packers or not. It may not be known

to all the members of this committee that all the great packing houses which have made Kansas City, U. S. A., famous, are on the Kansas side of the line and are in my district. I have not had an intimation from any man engaged in the packing industry that he had the remotest interest one way or the other in this question; and from that I infer either that the packers do not believe the removal of the duty would lessen the price or in any way damage their interests, or they believe that if the price were reduced they would be able to charge it back upon the farmers, to the stock growers from whom they obtain the hides as part of the cattle in the first instance. I believe, therefore, that it is to the interest of the great farming and stock-growing sections, which I have the honor to represent here, that the duty should remain as it is, and I do not think that the retention of this duty will inflict any appreciable damage upon any other industry.

I wish to have an opportunity also to vote to restore tea to the free list. It is my understanding of the doctrine of protection that its fundamental principle is to levy duties upon luxuries and upon articles coming into this country in competition with the products of our own fields or factories, and that it is not in accordance with the doctrine of protection to levy a duty upon a necessity of life that is not produced in our own country and does not come in competition with any of our products.

Mr. MANN. Will the gentleman yield to a question for information?

Mr. SCOTT. If I can give the gentleman any information, I will be glad to do so.

Mr. MANN. If any one here can give it, the gentleman from Kansas can, and my question is whether we are now engaged in trying to raise tea?

Mr. SCOTT. By the aid of the Government, extended at the rate of some \$10,000 a year for the past ten or twelve years, it has been demonstrated on a plantation in South Carolina that tea can be grown in the United States. I can not in the time that I have left go into all the details, which seem to show that that industry will never attain to such proportions as in any considerable degree to supply the wants of our own people, but that fact seems to be clear.

Tea is grown on this plantation under the conditions which prevail there and with government assistance at a cost of about 40 or 50 cents per pound. And it has been stated that if the taste of the people of the United States could be cultivated for this tea, and if this tea could be advertised so that there would be a demand for it, it might be grown profitably. But it involves the use of labor at not to exceed 50 or 75 cents a day, and I do not believe that we should levy a tax upon all the people of the United States in order to build up an industry in our country which at its best estate can only pay such a wage as that. I realize, of course, that the committee in transferring tea to the dutiable list had the thought of revenue chiefly in mind, but it seems to me there is at least one other source of revenue which ought to be tapped before we levy this tribute upon the breakfast table or the tea table of the people of the United States. I am sure that an additional internal revenue tax upon beer would raise a larger revenue than the proposed tax upon tea, and one that would be less felt by the people of the United States.

Mr. MANN. At least felt less by the people of Kansas.

Mr. SCOTT. The gentleman is quite right in his suggestion that the people of Kansas will not worry about an added tax on beer.

During the Spanish war the tax upon beer was doubled, making the amount \$2 a barrel instead of \$1. Personally, I should be glad to see that tax restored. I realize that this bill is designed to raise revenue and not to regulate the liquor traffic, and yet if in raising revenue we incidentally regulated the liquor traffic to some extent I do not think the people of the country would have any complaint to make. But if it is not believed possible or feasible or just to impose an additional tax of \$1 a barrel, let it be 50 cents, or let it be 25 cents even, for I venture to say that so inconsiderable an increase as 25 cents a barrel on beer, which certainly would not be felt by that industry, speaking of it now as other industries, from a merely commercial standpoint, would raise a far greater revenue than a tax of 8 cents a pound on tea.

There are a number of other changes which I should like to see made in this bill, but my time will not permit me to discuss them now. In a general way, let me say, I want to see this bill so framed as to lessen the cost of the necessities of life wherever that can be done without reducing the wages of any American worker or depriving him of employment, and I believe that will be done.

But there is one provision in this bill to which I wish to direct my remarks chiefly, and to which I particularly invite the



attention of the members of the committee, and that is the provision placing zinc ore upon the dutiable list at the rate of 1 cent a pound for the zinc content.

Individually, I have no financial interest in any zinc smelter or in any zinc mine. The people of my State, however, have a very deep interest in the smelting industry. The people of my home county have a great interest in it. It may be in the nature of news to some of the members of this committee to learn that the State of Kansas produces more than one-half of all the metallic zinc that is produced in the United States—fully one-seventh of all the spelter that is produced in the world. One-half, or nearly one-half, of the zinc smelted in the State of Kansas is smelted in my home county, and as an evidence of the sentiment of the people there, as an evidence of the judgment which they have passed upon this proposed duty, I send to the Clerk's desk and will ask to have read a series of resolutions adopted at a mass meeting held a few days ago in my home town of Iola and sent to me by wire.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

IOLA, KANS., March 19, 1909.

CHARLES F. SCOTT,  
House of Representatives, Washington, D. C.:

Resolutions by mass meeting:

Whereas the proposed tariff law purposes increasing the duty on zinc ore to 1 cent a pound for the contained zinc; and

Whereas the United States does not produce sufficient zinc-bearing ores to furnish the smelters of the country, and the importation of foreign ore has become a necessity; and

Whereas, while the importation of zinc-bearing ores has constantly increased, the average price of ore in this country has constantly and satisfactorily appreciated, and the importation of foreign ores has in nowise affected the home market for ores produced in the United States; and

Whereas, while the injury will be irreparable to southeastern Kansas and its business interests, it will carry no corresponding benefit to any other section of the United States; and

Whereas the proposed duty will be a serious blow to the smelting industry, grown in the past few years to one of the largest in Kansas, and the proposed duty will certainly result in the shutting down of many smelters and the consequent throwing out of employment of a large number of men: Therefore be it

Resolved by the business men of Iola, Gas City, and Loharpe in mass convention assembled, That we most earnestly protest against the proposed duty, and urge our Representative in Congress, Hon. CHARLES F. SCOTT, and the other Representatives and Senators from Kansas to use their influence and all honorable means to avert this threatened danger to one of the greatest manufacturing industries of the State of Kansas.

A. H. CAMPBELL, Chairman.

Mr. SCOTT. I have a similar set of resolutions from the Commercial Club of Pittsburg, Kans., and from the Commercial Club of Altoona, Kans., and from numerous other localities, but I will not burden the RECORD with them or take the time of the committee to read them. The interest we have in this matter is obvious.

I see, Mr. Chairman, that my time has expired. May I ask for ten minutes longer?

The CHAIRMAN. The gentleman may continue for ten minutes longer.

Mr. SCOTT. I sympathize deeply with the people of the mining sections of Kansas and Missouri in their demand for protection against the very cheaply produced ore of Mexico and of British Columbia. I believe that they are entitled to a reasonable degree of protection. But it does seem to me that, in placing a duty of 1 cent a pound upon the zinc content of foreign ore, while at the same time reducing the duty upon the finished product, the spelter, from a cent and a half to 1 cent a pound, the advocates of the interests of the mining section have overreached themselves, and if their wishes could be enacted into law their own purpose would be defeated.

What would it mean to have a duty of a cent a pound on Mexican zinc? That would advance the cost of Mexican ore until it would be equivalent, according to figures that have been given to me and which I believe to be reliable, to a price for the Joplin ore of \$46.45 a ton.

At that price let us see what the foreign metal producers would be doing while the American ore producer was hiding behind his tariff wall. Ore can be shipped from the Mexican mines to the Belgian smelters at \$5.50 a ton, \$1 less than the freight rate from Mexico to Kansas. Spelter can be shipped from Belgium to Boston for 10 cents a hundred. It costs the Kansas manufacturer 28½ cents to ship his product to the same market. What does this mean? It means that the Belgian smelter, paying \$10.47 for the ore at the Mexican mines—and that is his standing offer—paying \$5.50 a ton freight, paying \$10 a ton to treat it, paying 10 cents a hundred freight back to the Boston market, and 1 cent a pound duty, can lay his spelter down in Boston, duty paid, for \$4.92 a hundred. But the Kansas smelter, paying a corresponding price for ore, will find that

it will cost him \$5.75 a hundred pounds to lay his finished product down in Boston. That is to say, at a price of \$46.45 a ton for Joplin ore, which it ought to bring if we levy a duty of a cent a pound on the Mexican ore, the Kansas smelter would suffer a loss of 83 cents on every hundred pounds of metal, or substantially \$9 on every ton of ore that he treated. Obviously it would be impossible for him to continue his business.

It would follow, therefore, that the American markets for spelter, all of them east of the Ohio River, at least, would be taken away from the American producer of that article. Now 95 per cent of all the spelter consumed in the United States is consumed east of the Ohio River. Drive the Kansas smelter out of that territory, therefore, and you have made it impossible for him to do business; and when you have made it impossible for him to do business, you have also put out of business the miner in the Joplin and the Galena districts.

Mr. FOSTER of Vermont. Is not that his condition just now?

Mr. SCOTT. No; it is not his condition now.

Mr. FOSTER of Vermont. Are not three-fourths of the mills shut down, and were not they last fall?

Mr. SCOTT. Let me state to the gentleman, in answer to his question, that the production of zinc ore in the Joplin district fell off only 12½ per cent during the year from October, 1907, to October, 1908, as compared with the year preceding, which was a highly prosperous year, and I venture to say there were very few lines of industry in this country that have not suffered a greater loss than that.

So I do not think it is true that the Joplin miner is unable to do business now.

But, as I said in the beginning, I am perfectly willing that the Joplin miner should have a reasonable protection. I believe a duty of \$2 a ton would give him a fair profit in his business, because, according to the figures which have been given to me and which I believe to be reliable, a duty of \$2 a ton on Mexican ore would make the price practically \$40 a ton for Joplin ore at the Joplin mines, and that is certainly a fair, if not a generous price. It is to be remembered that the American ore is already protected by a freight rate of \$6.50 a ton as against \$1 from the mines to the smelter. It is protected by its superior grade to the extent of \$17 a ton, and it is protected by a duty on the lead contained in the zinc ore, and which can not be saved in smelting, equivalent to about a dollar a ton.

I believe, therefore, it would be vastly to the interest of both these industries if either one or both of two things should be done.

Let us have the duty on ore placed at a reasonable figure, and let us have the duty on spelter correspondingly increased. It is perfectly obvious that by placing the same duty on ore as on spelter you have made it impossible for the American producer of spelter to hold his own market. And if you take the spelter market away from the American producer you have also destroyed the market for American ore.

Furthermore, I do not believe that in raising the duty on ore and lowering it on spelter we are following the true protection doctrine. I do not believe that we are carrying out the philosophy of protection. The distinguished chairman of the Committee on Ways and Means, in his great speech presenting this bill to the House, stated the doctrine very accurately when he said:

The duty on the finished article must be higher than the duty on raw material from which it was made because it involves more labor. There is always to every tariff schedule, even a tariff schedule for revenue, a graduation of the duties from raw material up, according to the degree of manufacture.

Undoubtedly the logic of protection demands that we place a higher duty upon the finished product than upon the raw material from which that product is made. I think it can be demonstrated without question that a duty of \$2, or \$3 at the outside, would afford the Joplin miners ample protection; and if that can be done, perhaps the producer of spelter may be able to get along with the duty he now has. But if you are going to place a prohibitive duty on the ore you must not fail to put a prohibitive tariff upon the spelter also. I hope therefore that before this bill is enacted into law it will be more consistent and logical in this respect, so that both of these great industries may be afforded the protection to which their prominence and importance in the industrial life of our country entitles them. [Loud applause.]

Mr. PETERS. Mr. Chairman, the problem of the tariff is to provide from customs duties, in the most equitable manner Congress can devise, a certain amount of revenue. The public demand is for a genuine revision of the tariff downward. This demand the bill absolutely fails to meet. I intend to call the attention of the committee to certain defects in the bill and show

the alarming figures to which the expenses of our Government have increased and that the party responsible for them can not be relied on to raise from the people the burden of taxation. The bill, which lowers certain duties, raises others, and certain of the provisions and changes affect to such disadvantage our country's industries that they call insistently for an alteration of the present provisions of the measure.

#### FREE RAW MATERIALS—DEMOCRATIC DOCTRINE.

To the public demand for free raw materials, free coal, free iron, free hides, and free lumber, the committee has paid some heed, and, with the exception of the duty on soft coal and lumber, the duty on the latter of which is reduced, has placed on the free list these essentials of our manufactures. Though the bill is reported by the Republican majority, they can not claim the entire credit for this needed reform. The whole movement for a revision of the tariff, and particularly the movement for free raw materials, was forced from the Republicans by public sentiment. Public sentiment demanded for our industries the stimulus of free raw materials and refused to pay toll any longer to those who control our natural resources for the means of carrying on our manufactures. To the Democratic party must be given, and properly given, the credit for heeding this public sentiment and stimulating the interest and understanding of the public demands on this subject. Insistent and determined, Democratic platforms and Democratic orators have brought to the public the realization of the importance of the doctrine of free raw materials, and that public has by its demands forced from the reluctant Committee on Ways and Means the present concessions in the tariff bill. [Loud applause.]

The demand for free raw materials was first voiced and brought forward as an issue by a Democratic President, Mr. Cleveland; and William E. Russell, ex-governor of Massachusetts, said, in 1899, in a speech comparing the Democratic and Republican platforms, referring to the question of free raw material:

Now, contrast that evasive platform with the declaration of Democracy upon the question. We do not hesitate to say, in answer to the demands of business interests and of the whole people, that we stand for free wool, for free coal to make more cheerful the fireside of the humblest home and to give our industries greater prosperity. Free iron we demand; free raw materials we demand, and cheaper necessities of life. There is no evasion in the platform of the Democratic party.

#### LUMBER.

The duty on lumber, already cut by this bill, should, beyond question, be entirely removed. Lumber goes into every home and the duty places on every man who owns or rents a home an added cost. We are trying, at great expense, to preserve our fast-vanishing forests, and propose to expend vast sums in preserving them. The duty on lumber, even as it is left, places a premium on this destruction and hastens the day when we shall be dependent for our supply of lumber on other countries. The reduction made to the duty on lumber gives little benefit. About 90 per cent of the lumber shipped by rail goes through the planing mill before shipment, and still pays a tariff. The gentleman from New York [Mr. PAYNE], in announcing that he had no objection to a separate vote on the lumber paragraphs, said: "If the result is that lumber gets on the free list, don't blame me." The gentleman need have no fear of the country's blaming him for any addition to the free list.

#### HIDES.

The placing of hides on the free list is but following out the policy of the country from 1873 to 1897. A determined effort will be made, it is reported, to again place hides under the protection of a tariff. Since hides are a raw material entering into a product of universal use, the duty on them adds to the cost of living of everyone in our country, and handicaps by its exactions an industry furnishing employment to thousands of our people. The farmer has failed to benefit by this duty and its removal would cheapen for him the price of shoes.

#### MAXIMUM AND MINIMUM CLAUSE OPERATES AS A HARDSHIP.

The maximum and minimum clause provides that if any preferential duty shall be given by one foreign country to another the maximum rates shall operate automatically, as provided in section 3. This clause is worded most unfortunately for its object, and in its present shape will hold over our manufacturers a tremendous menace to their industries. When the knowledge of such a preferential rate reaches the United States officials, certain articles are automatically taken from the free list and placed under a 20 per cent ad valorem duty. This would apply not only to new articles placed on the free list, but to 68 articles already on the free list under the present law. The object of double tariff duties is to facilitate foreign commerce and protect in foreign markets the interest of our exports.

Germany accomplishes this through treaties for a certain number of years, usually ten. France accomplishes it through the action of the legislature from year to year. The latter method is uncertain and is primarily actuated by a desire to retain the home markets to domestic manufacturers. The German method is directed more toward extending foreign trade. Mutual benefits, however, can be obtained in each case through negotiations, although the benefits are greater under the German management than under the French. The present bill applies an entirely different method. An illustration may serve to show the effect of this provision. If Germany should give to France a reduction on cotton laces imported from that country, then, by the terms of this bill, from 20 to 40 per cent added duties must be collected on nearly all goods imported into this country from Germany. But the fact that we can not afford to export cotton lace in any quantity to Germany, or that there are large industries in our country which derive their raw materials from Germany, makes no difference. The penalty falls not only on the German manufacturers, but on our own as well. It prevents their having the lowest duties for their raw materials. Should we offer to reduce to Germany duties on materials imported from her markets in return for reduced duties on our machinery and food, it would be an advantage for all concerned. This provision, however, throws away such a plan and by its very terms makes negotiations impossible.

Another illustration of the danger of the application of this clause is shown by its effect on iron pyrites. This substance is the basic raw material for sulphuric acid and is required by all the chemical manufacturers in this country. To cut off their industry from this raw material would create havoc with the entire chemical industry. Of the pyrites used in the United States, three-fourths come from Spain. Under the maximum and minimum clause, should Spain give any preference whatever to any other country on any article, the maximum duty of 20 per cent ad valorem immediately would go into effect automatically and the manufacturers of chemicals would find themselves face to face with such a duty on their raw material as would badly disorganize their industry. This condition applies to bismuth and citrate of lime as well. Great uncertainty is naturally caused by this provision, as no manufacturer can tell when this great blow may be struck at his trade. The provisions of this clause are a direct challenge to retaliation. They do not offer a premium for a lower rate, but a penalty, applied alike to the home consumer and the foreigner, should any concession be given a country from which we do not benefit. The application of this provision to such a country will automatically raise the rate fixed in the bill from 20 per cent to 40 per cent, and would put on goods now on the free list a tax of 20 per cent. Had this clause been intended as a deliberate device to nullify the reductions of the tariff, except as to our imports from England or some free-trade country, it could not have been better adapted to that end. Marvelously unfit for any purpose of advantage, this provision is rightly characterized as a rather clumsy humbug. [Applause.]

#### PRESENT BILL NOT A GENUINE REVISION.

This tariff bill is the result of a demand for revision of the tariff from all over the country. Since the tariff was first commenced, with one exception each revision has been upward, and the demand, growing more and more insistent, is now for a revision—not as in the past, in the interest of the manufacturers, but in the interest of the consumers. That the present bill fails to provide a genuine revision in the interest of the consumers, no one who studies its provisions can question, and as its working will be more and more understood there will be greater and greater criticism of the failure to really provide for a cheapening of the articles in use in everyday life.

The revenue collected from customs under the proposed bill, it is estimated, will be \$11,666,748.25 greater than under the present law. The average rates of protection now are 44.16 per cent, and under the Payne bill they are not lowered, but are increased to 45.72 per cent. The new bill, in response to the public demands for lighter tariff burdens, proposes to collect from customs \$11,666,748.25 more duties, and to collect them on rates of protection increased, on the average, according to the government experts, 1.56 per cent over those of the Dingley bill, the burden of whose rates of protection the public has been justly complaining of.

#### REPUBLICAN PARTY RESPONSIBLE FOR INCREASED EXPENSES OF OUR GOVERNMENT.

It is argued by the committee and by the party in power that the revenues must be raised, and we see the enormous sums that must be provided to meet the appropriations of our Government. The money raised by a tariff comes from the pockets



of the consumers, from the people at large, and in forming a tariff it is not enough for the party in power to say that the revenues must be raised, it must show as well that they are wisely expended. Since it has controlled the Government continuously for over twelve years, the Republican party can not evade the responsibility for the enormous increase in its cost. It is proper, then, to examine the expenses of our Government during the past few years that the Republican party has been in control of the Presidency and both branches of the legislature, and see how the money, which has been drawn from the pockets of the people, has been expended.

It is instructive to examine in this connection the amount it is necessary to raise. I ask the attention of the committee to the enormous increases in our government expenses and to the burdens which the party in power is responsible for placing on the shoulders of the people. The enormous increases in the expenses of our Government which have taken place in the last few years must cause even the least thoughtful to pause.

The following table submitted by the Committee on Ways and Means shows the amount required to meet the expenditures for 1910, which aggregate the appalling sum of \$1,044,014,298.23.

Total appropriations for 1910	\$1,044,014,298.23
Deduct estimated sinking-fund appropriation	\$80,000,000.00
Deduct bank-note redemption (paid by banks)	30,000,000.00
Deduct Panama Canal appropriation, to be provided by bonds	35,886,190.58
	125,886,190.58
Deduct 5 per cent estimated appropriations which are not usually expended	45,906,405.88
	918,128,107.65
Amount for which revenue is to be provided	872,221,701.77
Estimated revenues, report Secretary Treasury:	
From internal revenue	\$250,000,000.00
From miscellaneous revenue	62,000,000.00
From postal revenue	223,340,712.00
Estimated by committee from customs under proposed bill	305,255,173.00
Internal revenue on legacies, etc.	20,000,000.00
Internal revenue on cigarettes, increase	1,500,000.00
	862,065,885.00
Deficit	10,155,816.77

#### DECREASING REVENUES AND INCREASING EXTRAVAGANCE.

The past year has shown a general business depression of marked severity, which has been intensified by the uncertainty created in the country by the knowledge that a general revision of the tariff was contemplated. The lessening of imports accompanying such depression has returned a constantly decreasing revenue. Despite all these factors suggesting prudence, and even in the face of the public demand for a downward revision of the tariff, the party in power has gone ahead and in place of endeavoring to economize has, in defiance of all good judgment, increased the annual appropriations over the preceding year by the sum of \$35,616,754.67. After deducting the requirements of the sinking fund, the redemption of bank notes, and for various deficiencies, this year's drafts upon the Treasury are far in excess of the total amount estimated to be received in revenue. Even the enormous sum appropriated was \$59,000,000 less than the amount asked of Congress by the executive departments, the heads of which were all appointed by the party in power. This ever-increasing deficit caused no halt in the appropriations.

Mr. Chairman, let us study what this enormous expenditure of money means, and let us understand how truly stupendous has been this increase in the national expenditures.

Until last year the expenses of our Government had only once reached the thousand million dollar mark. In the last year of the civil war, 1865, when the country was straining every energy to bring to an end that conflict, the expenditures reached the enormous total of \$1,394,655,448, of which, however, the sum of \$1,030,690,400 was paid for the maintenance of the army. This sum in itself was exceptional, as the appropriations during the other years of the civil war were much less. In 1862 the total appropriations were \$777,870,062; in 1863, \$729,878,066; and in 1864, \$877,407,355.

The total expenditures of the Government during the years 1858 to 1861 were \$305,149,822. From 1861 to 1865 they were \$3,394,830,931.

From 1865 to 1869, the total expenditures were \$1,621,652,538; from 1869 to 1873, \$1,217,337,854; from 1873 to 1877, \$1,191,735,968; from 1877 to 1881, \$1,157,831,864; from 1881 to 1885, \$1,-

201,014,662; from 1885 to 1889, \$1,253,722,713; from 1889 to 1893, \$1,655,241,809; from 1893 to 1897, \$1,758,902,462; from 1897 to 1901, \$2,444,141,683; and from 1901 to 1905, \$2,679,452,799.

The war with Spain was conducted during the period from 1897 to 1901, which accounts, in a measure, for the enormous increase in expenses at that time.

#### ECONOMY AFTER THE CIVIL WAR—EXTRAVAGANCE AFTER THE SPANISH.

After the civil war the country practiced economy, and the expenses for the ensuing period were \$1,773,178,393, or a reduction of 50 per cent from the expenses of the period during the civil war. The next four-year period witnessed a reduction of \$404,000,000, or a reduction of expenditures during the four years ending 1873 of nearly 25 per cent. In recent years, however, our expenses show no such curtailment. The expenditures of the Government for the four years ending 1905 were \$2,679,452,799, being nearly \$235,000,000 in excess of the expenditures during the preceding four years, which had included the cost of the war with Spain.

The cost of the Government after the civil war showed a decrease of 50 per cent. After the Spanish war the cost of our Government showed an increase of about 10 per cent. The most startling figures, however, are presented by the last period of four years. During that time the expenditures have been:

Fiscal year 1906, \$736,717,552; fiscal year 1907, \$762,488,752; fiscal year 1908, \$920,798,143, and the appropriations for fiscal year 1909, \$1,008,804,894, a total of \$3,428,809,371, which is \$33,778,440 more than the expenses of the Government during the period of the civil war.

The enormous rate at which our expenses are increasing is due primarily to the extension of the National Government into fields which properly belong to the government of the States, and, in addition, to the enormous increase in the expenses incident to war, expenses of the army and navy, and for fortifications.

The Democratic party last controlled the Government in the period from 1894 to 1897, and it is most instructive in this connection to compare the expenses of that administration with the expenses of the administration which has just been concluded. The following statement gives the appropriations for the army and navy and for fortifications and the per capita appropriations for the four-year periods referred to.

#### Appropriations for the army, second Cleveland administration, fiscal years 1894-1897.

1894	\$24,225,639.78
1895	23,592,884.68
1896	23,252,608.09
1897	23,278,402.73

Total	94,349,535.28
Estimated average population for the four years	69,603,000
Appropriations per capita for the four-year period	\$1.35

#### Appropriations for the navy, second Cleveland administration, fiscal years 1894-1897.

1894	\$22,104,061.38
1895	25,327,126.72
1896	29,416,245.31
1897	30,562,660.95

Total	107,410,094.36
Estimated average population for the four years	69,603,000
Appropriations per capita for the four-year period	\$1.54

#### Appropriations for fortifications, second Cleveland administration, fiscal years 1894-1897.

1894	\$2,210,055.00
1895	2,427,004.00
1896	1,904,557.50
1897	7,377,888.00

Total	13,919,504.50
Estimated average population for the four years	69,603,000
Appropriations per capita for the four-year period	\$0.20

#### Appropriations for the army, navy, and fortifications, second Cleveland administration, fiscal years 1894-1897.

Army	\$94,349,535.28
Navy	107,410,094.36
Fortifications	13,919,504.50

Total	215,679,134.14
Estimated average population for the four years	69,603,000
Appropriations per capita for the four-year period	\$3.09

#### Appropriations for the army, second Roosevelt administration, fiscal years 1906-1909.

1906	\$70,396,631.64
1907	71,817,165.08
1908	78,634,582.75
1909	95,382,247.61

Total	316,230,627.08
Estimated average population for the four years	86,271,579
Appropriations per capita for the four-year period	\$3.66

<i>Appropriations for the navy.</i>	
1906	\$100,336,679.94
1907	102,091,670.27
1908	98,958,507.50
1909	122,662,485.47
Total	424,049,343.18
Estimated average population for the four years	86,271,579
Appropriations per capita for the four-year period	\$4.91
<i>Appropriations for fortifications.</i>	
1906	\$6,747,893.00
1907	5,053,993.00
1908	6,898,011.00
1909	9,317,145.00
Total	28,017,042.00
Estimated average population for the four years	86,271,579
Appropriations per capita for the four-year period	\$0.32
<i>Appropriations for the army, navy, and fortifications, second Roosevelt administration, fiscal years 1906-1909.</i>	
Army	\$316,230,627.08
Navy	424,049,343.18
Fortifications	28,017,042.00
Total	768,297,012.26
Estimated average population for the four years	86,271,579
Appropriations per capita for the four-year period	\$8.90

In 1894 the appropriations for our army were \$24,225,639.79. In 1910, the appropriations for the same object are \$101,197,470.34. The navy, in 1904, had appropriated for its use \$22,104,061.38. For this year the appropriations for the navy are \$136,935,199. The appropriations for fortifications in 1904 were \$2,210,055. For the year 1910 there is appropriated for that purpose \$8,170,111. The alarming tendency of these figures must receive attention.

#### MILITARY EXPENSES OF THE UNITED STATES AND FOREIGN COUNTRIES.

The indirect system of taxation provided by the tariff fails to bring home to the people the realization of the increasing expenses of our Government. The estimated revenue, as shown by a foregoing table for the next year, is \$862,065,885, and bearing in mind that we have appropriated this year for the army \$101,197,470.34, and for the navy \$136,935,199, it is instructive to compare these figures with the revenues and expenditures for like purposes of the greater European countries.

The total revenues of Great Britain, taken from the Statistical Abstract for the United Kingdom, No. 55, for 1908, show a revenue of \$782,688,450. From this was made an appropriation for the army of \$135,575,000, and for the navy of \$155,705,000.

France, with revenues of \$770,829,006, appropriated for her army \$155,405,167.20, and for her navy \$64,384,557, from the figures of the French budget, 1908.

Germany, with total receipts of \$649,098,000, expended for her army \$200,068,750, and for her navy \$72,545,750, according to the Statistical Abstract for Foreign Countries, No. 34, 1908.

It is a well-understood fact that the above foreign countries are staggering under a burden of military expenses. The United States, with revenues about the same, collects from its people nearly as much for military purposes as these continental countries, and should the present reckless increase in appropriations for these purposes continue the United States will soon far outstrip them in military expenditures.

The bill under consideration, even with the estimated amount of an inheritance tax and the increase of \$1,500,000 on the amount received from cigarettes, falls by over \$10,000,000 to produce sufficient for the expenses of the Government for the next year. You see our expenses are increasing with alarming rapidity. The party in power has shown no tendency to check that increase; and should it continue, how are we to raise sufficient revenue to meet the Government's expenses? A party whose fundamental principle is "protection to American industries" can give only a secondary consideration to the arranging of schedules for revenue. It is admitted that more revenue would be produced in many instances if the rates had been placed sufficiently low to encourage imports and not as in this bill and its predecessor, so high as to shut off all importations, and that such a change would lessen the cost of living no one can question. The true aim of a tariff bill should be to produce the needed revenue with the least burden to the people. This bill shows alike a disregard of the possibilities of obtaining the greatest revenue and a total disregard of exempting from taxation the necessities of life—unequitable distribution of taxation.

That this bill fails to fairly distribute the burdens of taxation no one can deny. By its provisions, great wealth fails to bear its just share of taxation and the proportion placed on the shoulders of the average man far exceeds his proper burden. The tax on lumber and on structural steel, which go into the

construction of homes, add greatly to the cost of the latter. The taxes on such necessities of wear as woollens and women's stockings mean an added charge to every household. The taxes on dairy products, on butter of 6 cents per pound; on cheese, 6 cents per pound; on milk, 2 cents per gallon; on farm products, beans, 45 cents per bushel; beets, 25 per cent ad valorem; peas, 2½ cents per pound; vegetables (cut), 40 per cent ad valorem; cabbages, 2 cents each; eggs, 5 cents a dozen; potatoes, 25 cents per bushel; tea, and what operates as a tax on coffee, and a tax on sugar. All this increases the burden of providing proper food. All these taxes add to the cost of living and take from the pockets of our working people a far too great amount of their hard-earned wages. They compel the average man to pay from his income an amount greater in all proportion to that collected by this bill from the receipts of those of wealth. Lesser duties would in many instances produce more revenue, free necessities of life would raise from the wage-earner an unjust burden, and an income tax and a stamp tax, if necessary, could supply any deficiency in revenue.

#### REFORM IN RULES OF HOUSE GIVES OPPORTUNITY.

The reform in the rules of the House recently accomplished opens for those in favor of amendments to this bill in the interest of the consumer an opportunity of great importance. Under the previous rules, we would have been unable by a record vote to express our views. The Democratic leader [Mr. CLARK], under the Fitzgerald amendments to the rules, will now be enabled to move to recommit the bill, with instructions based on Democratic policies and the pledges of our party.

Such instructions will, without doubt, contain amendments to place on the free list, amongst other articles, the whole iron and steel schedule, lumber (as pledged in our Denver platform), zinc ore, tea, coffee, soft coal, and to strike off the countervailing duty on petroleum and the differential on refined sugar.

#### BILL FAILS AS A GENUINE TARIFF REVISION.

A genuine tariff revision is demanded that will lessen the cost of living and be in the interest of the consumer. The present bill falls far short in substantial relief of what was expected by the public. The party in power, by its increase in the military activities of our Government and its interference with functions which belong primarily to the States, has increased our expenditures to an appalling degree. It is shown to lack the power to advise or practice retrenchment. Confronted with the ever-increasing demands its own policy has created, it proposes, in response to a demand for a revision of the tariff, a bill which raises from the people the largest taxes ever collected, and which lays on the average man an excessive amount of that burden. A proper revision in the consumers' interest can only be entrusted to a party pledged to economy and opposed alike to military display and the interference with the privileges of the States—the Democratic party. [Loud applause.]

Mr. WEISSE. If we would remove the 15 per cent duty on hides, we would give employment to American labor and American capital and make them into leather and leather goods and export the same, thereby producing \$5 worth of finished product to every dollar's worth of hides on which a duty of 15 per cent is levied. This 15 per cent compels the foreigner to sell the hides in European markets, and tanners in Europe buy our extracts and tanning materials and tan them there.

I have endeavored to secure statistics from the Animal Industry Bureau, but they have not furnished any information that can be used in a reliable way. I have taken the census report of 1905 of manufacturers and compiled the figures that I herewith submit, which are about as near correct as can be obtained anywhere:

Dutiable hides used in 1905	\$89,126,593
Large packer produced	44,206,107
Imported	14,949,628
Total	59,156,735

Leaving the kill for the farmer and small packer and butcher about \$30,000,000, two-thirds of which, no doubt, is marketed through the butcher and small packer, and the sales of these hides are mostly controlled by the packers, leaving only about \$10,000,000 worth to be sold direct by the farmer, which would not net him to the extent of seven to nine millions or about 10 per cent of the total dutiable hides used.

There were used by the tanners of leather, calfskins, kips, and other skins imported, according to the Commerce and Labor report, 1907, skins to the value of \$49,814,518, free of duty, and there were used \$6,426,614 worth of domestic skins of the same kind. With this amount of raw material we produced leather and leather goods to the grand total of about \$700,000,000, and we exported leather and leather goods made of dutiable hides.



*Exports of leather and leather goods, 1905.*

Sole leather made from dutiable hides-----rebate-----	\$9,444,873.00
Total revenue from duty on hides, 1905-----	2,185,381.53
Total drawbacks-----	565,514.99
Net revenue-----	1,619,866.54
<i>Free of duty.</i>	
Patent leather-----	\$166,320.00
Upper and split leather-----	15,057,791.00
Other leather-----	1,813,154.00
Boots and shoes-----	8,057,697.00
Harness and saddles-----	502,660.00
All leather goods-----	1,318,046.00
Total-----	26,915,668.00

Mr. DIEKEMA. Mr. Chairman, I desire, first of all, to congratulate the majority of the Ways and Means Committee upon having reported to us a tariff bill which the country has accepted as the fairest bill ever reported to the House, and I desire to thank the distinguished chairman of the committee for his illuminating speech, which must go down into history as one of the masterpieces of logic and as an encyclopedia of information gathered from many years of experience and closest study of the subject. Neither do I underestimate the power of the speech of the leader of the opposition, who first gathered flowers from every hillside and valley and then distributed them in bouquets to his committee associates on both sides of the Chamber, to the leading Members of the House, past and present, and to the statesmen, both living and dead, of every age and clime, until this Hall became redolent with the fragrant odors of buds and blossoms. What, if anything, his utterances lacked in logic and information was fully made up in rhetoric.

I like the Payne bill as a whole, because it has kept the faith handed down to us by the fathers from Abraham Lincoln to William Howard Taft. Its very title breathes hope, prosperity, and protection, for it reads as follows:

A bill to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes.

I like the bill because it is broadly American and not sectional in its provisions. It knows no North, no South, no East, no West, but only our common country and the interests and industries of all the people of this great Republic of the West.

I like the maximum and minimum schedule provisions, operating automatically, for by means of these we offer to all peoples industrial peace in our trade relations with them, provided they are willing to give us a square deal, and we want no peace upon any other condition. The liberalized drawback provision will place the small exporter upon an equal footing with the large exporter and will stimulate our export trade.

Coming from Michigan, where our farmers are brought into close contact and competition with Canadian products, I am highly pleased with the agricultural schedule of the bill. Wool, wheat, beans, rye, corn, potatoes, hay, beets, as well as our dairy products, have been well protected.

The revision downward in over 100 paragraphs, embodying so great a number of leading articles of commerce, meets the reasonable expectation of the people, and the increase of rates upon some articles not now adequately protected and which we can produce, though criticised by the opposition, is a courageous adherence to the doctrine of protection and bodes well for the future prosperity of the country. Under the Payne bill the American wage scale can be maintained, the American laboring man's standard of living can be continued, all legitimate industry can prosper, and the American people can work out their God-given destiny under the folds of the Starry Flag, which everywhere symbolizes liberty, equality, and justice.

I regret exceedingly that the minority did not see fit to report a bill. They were present at all hearings, had the same time and facility to receive information as the majority, and if they had been possessed of the courage to report a bill, the country could then have passed deliberate judgment upon the comparative merits of the two bills. But, although the Democratic party is committed to a tariff for revenue only, the people inhabiting Democratic States wanted protection to their own industries, and therefore the safest political, although not the most patriotic and courageous course, probably, was to simply criticise the work of the majority and to continue a well-known and long-established destructive, instead of a constructive, policy.

The Payne bill is not perfect. No leaf or flower, no great work of art, nothing either in nature or created by the mind or hand of man is perfect. Above every masterpiece, whether ancient or modern, must be written the word "imperfect."

If opportunity offers, I would like to move an amendment to strike out the tax on tea and to substitute a stamp tax on conveyances, which I believe would bring a greater revenue, easily collected from those usually best able to pay, and would not be

a constant burden upon the masses of our people. Not being able to produce tea ourselves, the tariff would be and remain a tax on the consumer and not an aid to the building up of a home industry.

Mr. BARTLETT of Georgia. Would not the gentleman prefer to see a tax on beer rather than on tea?

Mr. DIEKEMA. I would much prefer to see that.

Mr. BARTLETT of Georgia. Would not the gentleman like the bill better if it had a tax on beer instead of a tax on tea?

Mr. DIEKEMA. I would rather tax that beverage than tea.

I hope also to be able to offer an amendment to the plate-glass schedule which I believe will give adequate protection to the producer and will be more equitable to the consumer.

My principal object to-day, however, is to discuss briefly that schedule of the tariff bill which not only furnishes the greatest revenue to the National Government, but affords protection to the only domestic industry which the Republican party is specifically pledged to protect. The sugar schedule gives us from one-sixth to one-fifth of our total customs receipts. Under the protection it affords we now produce in continental United States nearly one-third the sugar we consume. If to this we add the crops of Porto Rico and Hawaii, which are admitted free of duty, we find that more than one-half the sugar we use is grown under the flag and is classed as domestic sugar. When the Dingley bill was passed our consumption was only two-thirds the present volume, while of the amount then used less than one-quarter was domestic sugar, even including receipts from Hawaii. To-day we produce at home three times as much sugar as we did in 1897. The value of our domestic sugar crop has now reached the enormous figure of \$152,000,000.

It was with the hope that such a result might be attained that the Republican platform of 1896 pledged that party to the protection of the domestic sugar industry. It was with faith in the effectiveness of the principle of protection and due regard for the sacredness of the platform pledge on which they were elected that the leaders of the party incorporated the sugar schedule in the tariff law of 1897.

Knowing that, the citizens of this country, acting upon the pledge of 1896 embodied in the law of 1897, have invested nearly \$100,000,000 in the beet-sugar industry, in addition to all that has been invested in the domestic cane sugar; and knowing further, that the results obtained have justified the protective duty imposed, the Republican party in its platform of 1908 again adopted a plank guaranteeing protection to this industry. The President of the United States, in public and private utterance, recognizes the sacredness of this pledge. The Republican party, in full control of the legislative and executive departments of this Government, is bound by every moral obligation to keep inviolate the pledge it made to the sugar producers of the United States in the platforms of 1896 and 1908.

## NEW OCCASIONS TEACH NEW DUTIES.

The Spanish war came the year after the enactment of the Dingley law. Its chief economic result was to bring us face to face with the solution of a new problem, viz, the control of tropical islands as colonies, Territories, and dependencies. These islands are agricultural, and their chief natural crop is sugar. We had just embarked on a new fiscal policy, under which legislation had been enacted to enable us "to produce on American soil all the sugar which the American people use." This would be largely beet sugar, the product of the Temperate Zone.

Between beet and cane sugar there is a necessary conflict. The one is grown in the Temperate Zone, the other in the torrid; the one is the product of intense cultivation, the other of extensive cultivation; the one is the crop of the small farmer, the other the crop of the great planter; the one is grown with high-priced labor, the other by semiservile labor; the one means a population of small freeholders, the other means absentee landlordism.

To harmonize these antagonistic interests has been one of the most difficult tasks devolving upon those statesmen who have been called upon to solve the colonial problem growing out of the war with Spain. What has been done?

Hawaii has been annexed, and the permanency of the relationship thus established has caused the sugar output of those islands to increase from 200,000 tons to 265,000 in ten years. All this sugar comes to us free of duty. Our tariff wall has been extended around Porto Rico, and her sugar crop has increased from 50,000 tons to 250,000 in seven years. All this sugar comes to us free of duty. The Philippines have been granted a 25 per cent concession in the sugar schedule, and the 75 per cent that is collected is returned to the insular treasury to relieve local taxation. It is now proposed to admit 300,000 tons Philippine sugar free of duty. Cuba has been granted a 20 per cent concession in the tariff, and her entire

crop of about 1,250,000 tons is shipped to us each year. Such concessions to our tropical colonies, territories, and dependencies have naturally checked the development of the beet-sugar industry in the United States. Between 1898 and 1903, the year of the Cuban concession, 45 beet-sugar factories were built in this country, while since 1903 only 14 have been erected.

Owing, however, to the fact that more farmers are becoming interested in growing beets, the output of the factories has steadily increased until it is now 13 times as great as when the Dingley bill was passed. Our annual output of beet sugar is now equal to the entire consumption by all people living between the Mississippi River and the Pacific Ocean. Our farmers and laboring men now receive yearly over \$40,000,000 in the production of the beet sugar made in this country. This is more than our laboring men would receive if we imported all our raw sugar and simply refined it here. Judged by the results obtained at home and in our colonies, territories, and dependencies, the sugar tariff policy adopted during the past ten years is fully justified. When the Dingley tariff law was passed in 1897 there were only 6 sugar factories in the United States. Now there are 65, annually manufacturing 440,000 tons. In my own State 16 beet-sugar factories have been erected, requiring an investment of from \$16,000,000 to \$18,000,000. These factories annually produce about 2,000,000 pounds of beet sugar. More than 30,000 farmers are engaged in raising the beets, for which they annually receive upward of \$5,000,000. Our railroads annually receive a million dollars for carrying freights connected with this industry. Our factories use over 150,000 tons of coal and more than 50,000 tons of limestone. Besides this, I am informed that one chemical company annually pays to the Federal Government about \$2,000,000 internal revenue on alcohol manufactured from molasses produced by 14 of our Michigan sugar factories.

Mr. CAMPBELL. Do the beet-sugar manufacturers produce the finished product, refined sugar, ready to place on the market?

Mr. DIEKEMA. Ready to place on the table, and no one can tell whether it is manufactured from beets or from cane. The differential protects the beet sugar, because it is refined sugar; but the proposed reduction of 5 cents is a cut of 40 per cent in the protection afforded, and while I believe the industry can stand this, yet the point has been reached where any further reduction would mean the absolute destruction of the beet-sugar industry in this country. We can stand nothing further. The average cost of producing sugar in Michigan is from 3.75 to 4 cents a pound. Add to this an average freight rate of one-half cent a pound and we have a total cost of 4.25 cents or more a pound. Withdraw your protection and you kill the industry.

If we can base our conclusion upon the success of the beet-sugar industry in Europe, the reports of the United States Department of Agriculture, and the progress already made in this country, there is not the slightest doubt but that under a protective tariff continental United States can produce all the sugar our people will consume. Such a plan was feasible in 1897. Under the changed conditions growing out of our war with Spain it is not now practicable. Due consideration must be given to certain insular sugar, as well as to our continental sugar.

The various concessions already granted to Hawaii, Porto Rico, Cuba, and the Philippines have reduced the average rate of duty collected on sugar entering the United States, so that if computed on the sugar originally intended by the framers of the Dingley bill to come in on the payment of full duty the present average rate is only two-thirds of the rate fixed in the act of 1897. In the calendar year 1907 there were only 355,000 tons full duty-paying sugar entering the United States. If we admit 300,000 tons duty free from the Philippines, and the increase in our other sources of supply simply takes care of the increased annual consumption, we shall not have any full duty-paying sugar entering our ports, and the maximum duty collected on raw sugar will be 80 per cent of the regular rate, this being the duty on Cuban sugar. The danger line has been reached. Neither the National Treasury nor the domestic industry can stand any more cuts in the sugar schedule. The concessions already made and those provided for in the present bill reduce our annual customs receipts, based upon our present consumption, more than \$25,000,000. Every sugar-producing country in Europe, even though the wage rate is much less than ours, maintains a higher tariff on sugar than the full schedule fixed in the Payne bill or the Dingley bill. They know the value of the industry, and, knowing it, protect it even against their own colonies. Under the fiscal system that has grown up since the war with Spain any reduction in the tariff on

sugar will not only reduce our revenues and endanger our domestic sugar industry, but will work to the disadvantage of our island colonies, Territories, and dependencies.

What about the "ultimate consumer?" Are his interests being safeguarded by the sugar schedule of the Payne bill?

A reduction in our sugar tariff means the destruction of our domestic sugar industry. When once destroyed it can not be reestablished. Governmental pledges could not be stronger than those under which capital invested in the production of beet sugar. If these pledges are violated, and the \$100,000,000 now invested in that business is sacrificed, capital will not again embark in the enterprise. Neither will it be possible to induce the farmer to again undertake the culture of beets.

The creation of such an industry requires years of education and millions of money. Once destroyed it can never be rebuilt. If destroyed, our people would be at the absolute mercy of the importer and foreign producer of sugar. Every European sugar-producing country has two prices for sugar; one for home consumption and the other the f. o. b. Hamburg price for export. The European pays from 2½ cents to 6 cents per pound more for his sugar than the export price. The European beet-sugar industry is under governmental control. Destroy the domestic sugar industry of the United States and the European consumer's price would be at once lowered, while the Hamburg export price would be raised. The citizens of Europe would get their sugar cheaper and the citizens of the United States would be obliged to pay whatever price the foreign producer might demand. Under existing conditions the people of the United States buy their sugar cheaper than do the people of any other civilized country, England and a few of her colonies excepted. The citizens of every country in continental Europe pay more for their sugar than do the citizens of the United States.

In 1896 under the Wilson bill the per capita consumption of sugar in the United States was 60.9 pounds. In 1908 it was 81.2 pounds, an increase of 33 per cent in twelve years. This certainly does not show that "the ultimate consumers" have been oppressed by the prices paid for sugar during the life of the Dingley bill.

The Wilson bill provided for an ad valorem tax of 40 per cent on sugar. In 1896, under the operation of this law, the average New York price of granulated sugar was \$4.53 per 100 pounds. In 1906, the year chosen by the committee as a typical year upon which to base their calculations, the average New York price of the same grade of sugar was \$4.51½ per 100 pounds. It thus appears that our people are paying no more for their sugar than they did when we had a tariff for revenue only. Point, if you can, to any other necessity of life whose cost has not increased materially during the past ten years. One of the most effective agents in reducing the price of sugar to the ultimate consumer is our domestic sugar industry. Let us protect it and thereby redeem our twice-made promise to the American people. [Prolonged applause on the Republican side.]

Mr. HULL of Tennessee. Mr. Chairman, it is not my purpose at this time to discuss in detail the pending measure. I only desire to express in general terms my opinion of this bill as a whole, and then to offer a few remarks concerning another method of taxation that has been, and ought still to be, a fundamental feature of the Nation's revenue system—the income tax. Many years of a protective tariff, with the train of evils that always follow in its wake, gradually created so many abnormal, unnatural, and artificial conditions in the country's financial, commercial, and industrial affairs that the panic of 1907-8 came as a natural outgrowth thereof. During this period of trial and suffering, while the wail of distress and the constant cry for cheaper food, cheaper clothing, and cheaper shelter was loud and growing louder, our Republican friends became very much alarmed, and in the midst of which promised "unequivocally," in the event the people would once more continue them in power, to revise the tariff. As to the willingness or the fitness of the Republican party, after so long a period of unholy wedlock with protection, fostering its offspring—the trusts—in good faith to revise the tariff downward in the interest of the consumer, I am exceedingly skeptical. My misgivings are amply confirmed by the provisions of the measure now before the House. This bill discloses an effort on the part of the majority of the Ways and Means Committee to keep absolute faith with the protected interests and the trusts, and at the same time to offer a bare pretense of performing their party's promise. The result is that the bill is artfully drawn. Many of its provisions are so vague, uncertain, ambiguous, beclouded, and treacherous that no two impartial lawyers would agree in their construction. The spirit of greed and avarice permeates its every schedule. The footprints of every protected favorite may be found around the items in which each is respectively interested.



The consumer, as usual, has been purposely overlooked. Under the operation of this bill the cost of living must continue to increase, while the trust and the taxgatherer will continue to do business at the same old stand. With its "jokers," its countervailing duties, its maximum and minimum rates, its strange mixture of specific and ad valorem duties, its rebates and new method of appraisement, together with many other deceptively drawn features, peculiar as they are mysterious, the bill must carry despair to the great army of consumers as certainly as it will bring joy to the protected interests. The protection baron, like the highwayman, will continue to say to the American people, "Stand and deliver." There never will be honest tariff revision until the duty is intrusted to a Democratic Congress.

#### RULES OF TAXATION.

In the revision of the existing system of national taxation, among others, the following principles should be observed:

First. That all taxes are burdens upon the taxpayer, and can only be rightfully imposed to raise revenue to support the Government.

Second. That there should be a gradual reduction of the tariff to a revenue basis, keeping in view the constitutional purpose of raising a revenue by taxation, to wit, the support of the Federal Government in all its integrity and virility.

Third. In selecting the articles to be taxed luxuries should be chosen in preference to necessities, so far as consistent with the purposes of revenue.

Formerly the revenues kept pace with expenditures, but during recent years our administrative policies have been so extravagant as to cause the government expenditures to rise rapidly, to go up by leaps and bounds, so that our revenues have failed to increase proportionately. It is to be supposed, therefore, that Congress was convened in the present extra session for the twofold purpose of revising the tariff and providing additional revenue. I believe that if the present tariff schedules were revised downward to a revenue basis revenue ample to meet our expenditures would be afforded; but there are so many purely protective and prohibitively protective features in the bill now before the House as to render this impossible.

The result is that we find the majority of the Ways and Means Committee, in addition to raising the tariff on numerous articles of necessity while lowering it on but few, searching for new objects of taxation; and that search has been rewarded by the discovery, among other things, of tea, coffee, and inheritances. I am opposed to the first two.

#### TAXATION OF INHERITANCES.

Mr. Chairman, the principle involved in the imposition of inheritance taxes, however, is sound. The right to transmit property is not a natural one, but is more in the nature of a privilege granted the citizens by law. The citizen who amasses great wealth is protected in both his personal and property rights by the laws of the State and Federal Government while he is engaged in so doing. In return for such protection it would be but a mild condition imposed upon the transmission of swollen and other fortunes to lay a reasonable tax thereon. This taxing power is possessed alike by the States and the Federal Government. There is one question, however, that Congress should consider in connection with this proposed tax levy, and that is the fact that most of the States have been and are now utilizing this power of taxation. Thirty-six of the 46 States have inheritance tax laws imposing rates ranging from 5 to 20 per cent. Some of them derive much of their revenue from this source. The total amount of revenue thus derived by the States for the year 1905-6 was \$10,035,751.71. It is reasonable to suppose that many of the States already levy a rate as high as public sentiment will support. I have only to suggest that the Federal Government should exercise care and caution in imposing this tax, particularly in time of peace, lest its action in so doing should oblige the States, under pressure of public sentiment, to abandon this source of revenue.

I should favor an income tax in lieu of this, or favor this tax in lieu of taxes on necessities.

#### THE INCOME TAX.

I desire in this connection to direct the attention of the House to the best, the fairest, the most equitable system of taxation that has yet been devised—the taxation of incomes. Adam Smith, the father of political economy, laid down this rule of taxation:

The subjects of every State ought to contribute toward the support of the Government as nearly as possible in proportion to their respective abilities—that is, in proportion to the revenue which they respectively enjoy under the protection of the State.

All authors of political economy of reputation are in accord with this doctrine. One of our standard text-books, of which Dr. Francis Wayland is the author, contains this language:

Theoretically this is the most equitable of all taxes, since it touches men exactly according to their ability. But if the percentage is uni-

form, it involves inequality which bears heavily on those whose incomes are small. To relieve this, two measures are employed. The first is to exempt all incomes below a specified amount. The other is to establish two or three grades of income and make the percentage greater on the larger income.

Another standard text-book on this subject was written by Professor Thompson, and in which I find the following language:

The fairest form of tax is the income tax. It makes everyone contribute to the wants of the state in proportion to the revenue he enjoys under its protection. While falling equally on all, it occasions no change in the distribution of capital or in the material direction of industry and has no influence on prices. No other is so cheaply assessed and collected. No other brings home to the people so forcibly the fact that it is to their interest to insist upon a wise economy of the national revenue.

One of our ablest law writers, whose works are known wherever judicial learning is admired, Judge Thomas M. Cooley, makes this statement in his noted work on taxation:

Taking everything together, nothing can be more just as a principle of taxation than that every man should bear his share of the burdens of government in proportion to his wealth.

I have no disposition to tax wealth unnecessarily or unjustly, but I do believe that the wealth of the country should bear its just share of the burden of taxation and that it should not be permitted to shirk that duty. Anyone at all familiar with the legislative history of the Nation must admit that the chief burdens of government have long been borne by those least able to bear them, while accumulated wealth has enjoyed the protection and other blessings of the Government and thus far escaped most of its accompanying burdens.

In the consideration of the present tariff bill we hear little said on the Republican side about revenue or fair, equitable, and just taxation, or the reduction of taxes upon what we eat and wear, or relieving the consumer; but the controlling purpose of most Members on that side of the House seems to be to secure, at all hazards, a protective, and if possible, a prohibitively protective tariff rate upon the particular item or items in which the already protected interests, in their respective districts, are most directly concerned. Instead of a discussion of our system of national taxation upon a high plane of patriotic constructive statesmanship and along broad national lines, in which favoritism is condemned, and equal, fair, and just taxation for revenue purposes is the sole and guiding motive, we have seen this debate degenerate into a wild, unseemly, and mad scramble on the other side of the House to secure the highest degree of protection for their respective pets and favorites. Heretofore any suggestion from this side of the House that our system of taxation should be so adjusted as to require the aggregated wealth of the country to bear a fair share of the burden of taxation has usually met the disapproval of the other side upon the ground that such course would be socialistic, if not unconstitutional.

#### WHAT REPLY WILL CONGRESS MAKE?

In this connection I am reminded of the following statement of Hon. Wayne MacVeagh, Attorney-General in Garfield's Cabinet, and brother of the present Secretary of the Treasury, reported in the papers to have been recently sent to the chairman of the House Committee on Ways and Means, in which he asks this pertinent question:

If new taxes must be imposed, why should the colossal incomes and the colossal accumulations of the possessors of what Mr. Carnegie himself calls "surplus" wealth continue to be exempted from proper taxation?

In this same letter he also suggests that many rich persons would rather pay taxes that would not interfere with their luxuries than witness heavier burdens imposed upon—

those less fortunate brothers whose lives are passed in that increasing calculation of sorrow where hard toll sometimes provides, and sometimes fails to provide, sufficient daily bread.

I quite agree that this class of wealth would not and could not seriously object to the payment of reasonable taxes in order to give some relief to the man of moderate means from taxed food, taxed clothing, and taxed shelter. Acting upon this belief, I introduced during the Sixtieth Congress a bill to provide revenue for the Government by levying a tax of 2 per cent upon incomes of \$4,000 and upward. On the first day of the present session I again introduced this measure (H. R. 110.)

In the event the Ways and Means Committee nor any member thereof should see fit to do so, it is my purpose at the proper time to offer this income-tax bill as an amendment to the revenue bill now pending before the House; and if the revenue bill should thus fail of amendment, I shall ask recognition of the Speaker for the purpose of moving to discharge the Ways and Means Committee from further consideration of House bill 110, and that the same be then considered by the House.

Mr. SHACKLEFORD. In that connection, I should like to ask the gentleman if he thinks there is any likelihood of his obtaining recognition for that purpose from this particular Speaker?

Mr. HULL of Tennessee. I would prefer not to commit myself upon that point until I shall have first sought recognition for this purpose, but it is sufficient to say that if the Speaker should refuse me, or any other Member who might seek it for a like purpose, recognition, then, under the rules of the House, it would be impossible for the House, during the present session, to express itself upon this measure or a similar one, either as an amendment to the pending bill or as a separate and independent measure.

This bill embraces the substantial features of the income-tax law of 1894, with some modifications. The provisions of the former law that were declared invalid by unanimous opinion of the Supreme Court of the United States were stricken out. A rate of 3 per cent is imposed upon the incomes of citizens residing abroad. The bill to which I refer is proposed as a permanent law and not to cease operation by time limit, as did the last income-tax law. I offer and urge the passage of this measure with a full knowledge of the action of the Supreme Court in declaring invalid the chief features of the income-tax law of 1894. I do so for reasons that I shall now endeavor to offer. This was a decision by a bare majority of the members of that tribunal, the vote standing five justices against the law's validity and four in favor of the same, and one justice changed his opinion during one night and has never assigned any reason or excuse therefor. No decision of any court of last resort has been so universally condemned or its soundness so generally questioned as has this one. Its effect was to paralyze one of the strong arms of the taxing power of Congress.

#### STATEMENTS OF DISSENTING JUSTICES.

In the language of Mr. Justice Jackson in his able dissenting opinion:

*Considered in all its bearings, this decision is, in my judgment, the most disastrous blow ever struck at the constitutional power of Congress.*

In the language of Mr. Justice White in his strong dissenting opinion:

*It reads into the Constitution the most flagrantly unjust, unequal, and wrongful system of taxation known to any civilized government. \* \* \* It overthrows the settled construction of the Constitution, as applied in one hundred years of practice, sanctioned by the repeated and unanimous decisions of this court, and taught by every theoretical and philosophical writer on the Constitution who has expressed an opinion upon the subject.*

In the language of Mr. Justice Brown:

*\* \* \* As it implies a declaration that every income tax must be laid according to the rule of apportionment, the decision involves nothing less than a surrender of the taxing power to the moneyed class.*

In the language of Mr. Justice Harlan in his memorable dissenting opinion:

*But the serious aspect of the present decision is that by a new interpretation of the Constitution it so ties the hands of the legislative branch of the Government that without an amendment of that instrument, or unless this court, at some future time, should return to the old theory of the Constitution, Congress can not subject to taxation—however great the needs or pressing the necessities of the Government—either the invested personal property of the country, bonds, stocks, and investments of all kinds, or the income arising from the renting of real estate, or from the yield of personal property, except by the grossly unequal and unjust rule of apportionment among the States.*

Mr. Chairman, the vigorous, not to say indignant, manner in which the four dissenting justices, in their unanswered and unanswerable opinions, controverted and resented the reasoning and conclusions of the majority of the court has excited the admiration and won the hearty approval of every true lover of constitutional government. These dissenting opinions contain a timely and solemn warning to Congress that one of its most vital powers under the Constitution is destroyed by this decision, and offer the hope that it may at some future time be reviewed and reversed.

Mr. Chairman, it is the plain duty of Congress to jealously guard and protect its rights, privileges, and prerogatives as one of the three great coordinate departments of the Government. But two methods are open by which to secure to Congress its taxing power lost under this decision, namely: An amendment to the Constitution, or a reversal by the Supreme Court of its former decision. The former expedient is impractical, if not entirely impossible at this time in this case. An amendment would require the affirmative action of two-thirds of both Houses of Congress and three-fourths of the States concurring. Statisticians have figured that 3 per cent of the people could prevent an amendment to the Constitution. The latter alternative of seeking a reversal is, therefore, the only feasible course now open to Congress.

To levy an income tax by the rule of apportionment would be so unjust, inequitable, and unfair to the different States as would render this method unfeasible. Twenty million dollars was levied by the Government under the rule of apportionment during the civil war, but the levy proved so harsh, unequal, and

discriminating in its effect that much of same was never collected, and the portion collected was refunded to the States by Congress in 1891. This method of levying an income tax has been characterized by all persons as impractical and of no utility.

In speaking of the application of the rule of apportionment to incomes derived from real estate, the yield of personality, and invested personality, Mr. Justice Harlan said:

*No such apportionment can possibly be made without doing gross injustice to the many for the benefit of the favored few in particular States. Any attempt upon the part of Congress to apportion among the States, upon the basis simply of their population, taxation of personal property, or of incomes, would tend to arouse such indignation among the freemen of America that it would never be repeated. \* \* \* Under that system, the people of a State containing 1,000,000 of inhabitants, who receive annually \$20,000,000 of income from real and personal property, would pay not more than would be exacted from the people of another State having the same number of inhabitants, but who receive income from the same kind of property of only \$5,000,000.*

Mr. Chairman, the taxing power of Congress is broad and comprehensive, the Constitution imposing only three limitations upon it; to wit: No duties shall be levied upon exports from States; direct taxes shall be levied according to the rule of apportionment; duties, excises, and imposts must be uniform. The sole power and duty of levying and collecting taxes, and so forth, to defray the expenses of the Government is vested in Congress.

I insist that it is the imperative duty of Congress, when one of its important powers under the Constitution is questioned or destroyed by action of a coordinate branch of the Government, to invoke every remedy at its command for the restoration of that lost power.

That a fair, equitable, and comprehensive income-tax law can be devised so as to conform to the last decision of the Supreme Court I emphatically deny. Under that decision Congress is prohibited from taxing all incomes derived from the rents of real estate and invested personality, thus leaving the burden almost entirely upon the incomes of trades, professions, and other incomes derived from personal exertion. In 1904 real property comprised more than sixty billions of our one hundred and ten billions of national wealth, while the value of personality composed the bulk of the remainder. The folly and injustice of exempting from taxation incomes derived from this fabulous wealth and at the same time imposing a tax upon incomes derived mainly from personal exertion is apparent.

In the light of the conditions I have enumerated President Roosevelt repeatedly declared himself in favor of an income tax, and in his annual message of 1907 made the following statement:

*A graduated income tax of the proper type would be a desirable feature of federal taxation, and it is to be hoped that one may be devised which the Supreme Court will declare constitutional.*

In a speech at Columbus, Ohio, August 20, 1907, President Taft used the following language:

*In times of great national need, however, an income tax would be of great assistance in furnishing means to carry on the Government, and it is not free from doubt how the Supreme Court, with changed membership, would view a new income tax under such conditions. The court was nearly evenly divided in the last case, and during the civil war great sums were collected by an income tax without judicial interference.*

This observation of the President raises the inquiry, If an income tax is valid in time of war, why is it not also valid in time of peace?

In speaking upon this precise point, Justice Harlan said:

*Is it to be understood that the courts may annul an act of Congress imposing a tax on incomes whenever, in their judgment, such legislation is not demanded by any public emergency or pressing necessity? Is a tax on income permissible in a time of war, but unconstitutional in a time of peace? Is the judiciary to supervise the action of the legislative branch of the Government upon questions of public policy? Are they to override the will of the people, as expressed by their chosen servants, because, in their judgment, the particular means employed by Congress in execution of the powers conferred by the Constitution are not the best that could have been devised, or are not absolutely necessary to accomplish the objects for which the Government was established?*

Mr. Chairman, while I do not offer the observation I am about to make as even persuasive authority in this connection, but only to emphasize the importance of the powers and duties of the legislative branch of any government, I would suggest that no court of last resort in any other country undertakes to veto or nullify a solemn enactment of the legislative branch. Since the revolution of 1688, no English court has ever asserted the right to set aside an act of Parliament.

#### DUTY OF CONGRESS.

I agree that Members of Congress are under oath to support the Constitution, and that it is the duty of the Supreme Court, under proper circumstances, to construe and expound that instrument; but I submit that where, in the judgment of Members of Congress, a palpably erroneous decision has been rendered



by the Supreme Court, stripping the coordinate legislative branch of the Government of one of its strong arms of power and duty—a decision overturning a line of decisions extending over a hundred years of the Nation's history, a decision violating the doctrine laid down by all text-book writers and commentators on the Constitution, a decision running counter to the fixed policies of every department of the Government as uniformly pursued for more than a century—I say, under these circumstances, every Member of Congress owes to himself and to the country the duty of exhausting every reasonable and legitimate means to secure a review by the court of the questions erroneously decided.

Courts are not always infallible, as this decision clearly demonstrates. Furthermore, courts have reversed themselves many times on many questions, and will doubtless continue to do so. Legislative and political thought is subject to more or less fluctuation. Likewise, judicial interpretation and construction is sometimes affected by new judicial philosophy and by new and changed conditions occurring in the social and economic world. The Supreme Court of the United States some years ago reversed itself in what is known as the "legal-tender case." This act of Congress was first held invalid, but later on two new members were added to that court, a rehearing of the case was had, with the result that the former decision was reversed and stands reversed until this day. It is entirely proper that Congress should pass another income-tax act, again raising the important questions deemed to have been erroneously decided by the Supreme Court heretofore, and by this course secure a rehearing upon these controverted questions. Justice Brown made the following statement, that would be pertinent here:

Congress ought never to legislate in raising the revenues of the Government in fear that important laws like this shall encounter the veto of this court through a change in its opinion or be crippled in great political crises by its inability to raise a revenue for immediate use.

I say it is a gross dereliction of duty for Congress to tamely and meekly acquiesce in the patent errors of the income-tax decision of 1894, and sit with folded and tied hands until all means of securing a rehearing have been first exhausted. Then, and not until then, should Congress finally abandon all hope of regaining this lost power and duty.

It is exceedingly important that these controverted questions should be settled right in time of peace, for, if our country should become involved in war with a great naval power, it is not impossible that our foreign commerce would be reduced to a minimum and little revenue would be derived from imports; in which event the proposed tax would be indispensable. However, the almost world-wide practice has made this a peace tax as well as a war tax.

England derives \$160,000,000 annually from this tax. Three-fourths of this sum is collected "at the source;" that is, the employer retains and pays the tax direct to the Government, so that it does not pass through the hands of the taxpayer under this system of collection.

Mr. HUMPHREYS of Mississippi. Will the gentleman allow an interruption?

Mr. HULL of Tennessee. Certainly.

Mr. HUMPHREYS of Mississippi. Will the gentleman state what, under the English law, is the smallest income liable to an income tax?

Mr. HULL of Tennessee. Seven hundred and fifty dollars. I can not say but what under the income-tax system now in operation in England several new features have been introduced. In the first place, they have a graded system, under which certain rates are imposed upon incomes of certain amounts. Furthermore, they proceed to differentiate, as it is termed in the language of their law, and by that is meant a particular rate of taxation is imposed on "unearned" incomes; that is, incomes derived from invested personal property or from the rent of real estate; whereas a different and lower rate is imposed upon "earned" incomes; that is, incomes derived from personal exertion or labor.

The graded system is represented to have been adopted because public policy required the imposition of taxes upon very small salaries. In this country, under the laws of this character that were last in operation, the minimum income upon which tax was imposed was \$4,000, so that the graded system did not become necessary and really would not have applied in the sense and with the efficacy that it does in connection with the English system, where small incomes are taxed.

Mr. CLARK of Missouri. Well, I would like to ask the gentleman a question right there. In the investigation of income tax, does it turn out that there are more graded income taxes, or flat rates?

Mr. HULL of Tennessee. In almost each instance, in so far as my investigation has extended, they usually have what is called "the graded system," ranging from about 1 per cent up to as high, usually, as 5 per cent, but sometimes as high as 10 per cent, imposed upon incomes of different amounts. But in some countries I observe that instead of imposing a per cent of taxes upon certain incomes they impose so much money as taxes upon certain categories of income.

Satisfactory income-tax systems are in operation in practically all the countries of the world, save the United States, France, and Russia. The popular legislative branch of France recently passed a graduated income-tax bill by an overwhelming vote, the estimated receipts from which will be \$138,000,000 annually. Among other countries having an income-tax system long in successful operation might be mentioned Germany, Spain, Italy, Switzerland, Norway and Sweden, the Netherlands, Austria, Bavaria, and so on.

The income-tax systems of other countries differ. Some affect the whole income of the taxpayer, as in Prussia, while others are imposed only on such sources of income as are not reached by other taxes. In most foreign countries a minimum income is exempted for income-tax purposes. Outside of Great Britain, the amount of incomes so exempted usually ranges from \$150 to \$250.

Had I the time, I should be glad to offer a detailed statement relative to the income-tax systems of other countries, together with a showing as to their effect upon trade conditions, the distribution of wealth, the percentage of people affected thereby, and other effects of this system of taxation.

I do not deem it necessary at this time to enter upon an extended discussion of the constitutional phases of this question. I do wish to say, however, that since the Hylton case was decided by the Supreme Court of the United States in 1796, in which the court unanimously held that there were only two kinds of direct taxes, namely, poll taxes and taxes on land, it has not been seriously insisted that the taxation of incomes involved the principle of a direct tax until the Supreme Court so held in 1894. Prior to this time, there were five Supreme Court decisions to the contrary, rendered in each instance by a unanimous court. Many income-tax laws have been imposed since the beginning of the Government. The principle involved in this tax at one time has met the hearty approval of both the Democratic and Republican parties. This tax was levied by the Republican party after the war, as well as during the war, and its ultimate repeal was vigorously opposed by the ablest Republican statesmen of that time. I wish I now had the time in which to give a history of this system and its successful operation.

Hon. Hugh McCulloch, Secretary of the Treasury, in his able report on the state of the finances, strongly suggested the idea of retaining, at least, many features of this tax and removing instead the tax on articles of necessity. John Sherman, then a Senator from Ohio, speaking in opposition to the repeal of the income tax, among other things, said:

A few years of further experience will convince the whole body of our people that a system of national taxes which rests the whole burden of taxation upon consumption, and not one cent on property and income, is intrinsically unjust. While the expenses of National Government are largely caused by the protection of property it is but right to cause property to contribute to its payment. It will not do to say that each person consumes in proportion to his means. That is not true. Everyone must see that the consumption of the rich does not bear the same relation to the consumption of the poor as the income of the rich does to the wages of the poor. As wealth accumulates this injustice in the fundamental basis of our system will be felt and forced upon the attention of Congress.

But by this time the beneficiaries of protection had secured a taste of its sweets and had also become powerfully influential with the Republican party, so that at their behest the income tax was repealed, while the tax on necessities remained.

#### METHOD OF COLLECTION—OBJECTIONS ANSWERED.

I have not yet heard a logical reason offered in opposition to this method of taxation. The apologists of the rich, in their opposition to this legislation, offer as an excuse therefor that it causes the people of wealth to commit perjury, besides being offensively inquisitorial. Replying to the last objection, I challenge the closest comparison of the machinery prescribed for the collection of an income tax with the revenue and assessment laws of the different States and the present internal-revenue laws of the Government. In most of the States assessment blanks are presented to each taxpayer and he is required to make a detailed showing therein as to his property, and under oath. If he fails to list a promissory note or other like obligation, he is denied the assistance of the courts in its collection. Furthermore, in case he makes a false affidavit to his schedule or refuses to make affidavit, he is guilty of a misdemeanor, and upon trial and conviction thereof is subject to a fine and incarceration in the county jail or workhouse. In addition, most

States have revenue agents, back-tax attorneys, and so forth, whose privilege and duty it is to prosecute diligent search and scrutinize the business or property of a taxpayer, and by means of back assessments and court prosecutions see that no property subject to taxation escapes.

Anyone at all familiar with the methods of collecting our internal revenue knows that from the moment a citizen lands at one of our ports of entry all his baggage and other belongings are searched and scrutinized, that no dutiable articles may escape. In addition, different blank declarations must be filled out, subscribed, and sworn to. We see oath piled on oath before the customs officials relax their hold. And even with these precautions goods, wares, and merchandise subject to duties aggregating millions of dollars elude the eye of the customs official and are smuggled into this country. The same rigid methods govern the collection of taxes on whisky and other internal revenue. Mr. Chairman, our present internal-revenue facilities are amply sufficient for the collection of an income tax, barring the possible necessity for the appointment of a few additional deputy collectors. The experience of the Government in the collection of this tax shows that its cost was only 2 per cent, being less than the cost of collecting any other tax ever imposed.

#### WOULD IT MAKE LIARS OF THE RICH?

The astonishing objection to this tax is sometimes offered that its imposition would make liars and perjurers of the holders of great wealth subject to the same; that rather than contribute a small portion of their colossal incomes to the Government that protects them in their life, liberty, and property they would unhesitatingly commit perjury. I believe this is a slander upon even the idle holders of idle wealth and the possessors of colossal incomes, but if this shameful defense is true, then I say that every tax dodger should be rigorously subjected to the thumb screws of the law. Persons who would dodge the payment of an income tax are doubtless already evading the payment of other taxes. They could not well emigrate to other countries without being there confronted by a similar income tax of perhaps a higher rate.

#### HOW THE RICH EVADE OTHER TAXES.

I recently noticed an interesting newspaper report of the personal assessment for taxation of many of the millionaires and other holders of immense fortunes in New York. John D. Rockefeller was down for \$2,500,000 personal taxes; William Rockefeller, \$300,000; Andrew Carnegie, \$5,000,000; Mrs. Russell Sage, \$5,000,000; John Jacob Astor, \$300,000; Perry Belmont, \$150,000; Cornelius N. Bliss, \$100,000; the seven Vanderbilts, combined total, \$2,900,000; Charles F. Murphy, \$5,000; Jacob H. Schiff, \$200,000; Joseph Pulitzer, \$500,000; J. P. Morgan, \$400,000; while George J. Gould, August Belmont, Hetty Green, William Waldorf Astor, and Richard Croker managed to escape without any assessment.

These assessments given in at paltry sums by the possessors of what might most properly be termed "swollen wealth," if true, reveal in a striking manner the insignificant sums contributed to the Government by those most able to pay. This showing presents the strongest argument in support of the taxation of incomes, because it would seem that this class of people consider themselves almost immune from any kind of taxation, in the light of their patent evasion of the tax laws of New York. It is manifest that no tax law enacted by the States or the Federal Government within recent years has effectively reached the holders of great wealth or the possessors of large incomes. It is an outrageous governmental policy that constantly protects this class of wealth and its owners without exacting reasonable taxes in return.

#### "TAX WEALTH, NOT POVERTY."

Mr. Chairman, for the Government to refuse to so levy taxes is equivalent to saying to the father that, in case of war, he is expected to give up his son, that he may shed his blood and, if necessary, surrender his life in defense of his country's flag, but that the man of great wealth shall not be required to contribute even \$1 with which to defray the expense of that war. The world has never seen such colossal fortunes as we behold in the present age. Their owners are richly able to pay taxes. Why does the Government, founded as it was upon the doctrine of equality, persist in taxing every article of necessity which the poor widow must buy, while it permits citizens residing in other countries to hold property here of probably \$100,000,000 in value on which the Government declines to levy even a single cent of tax? The proposed revenue bill presents the monstrous proposition of imposing the highest average tax rate known to the fiscal history of the country upon almost everything the American people eat and wear and otherwise consume, and at the same time virtually exempting the Carnegies, the Vanderbilts, the Astors, the Morgans, and the Rockefellers, with their aggregated billions of hoarded wealth. Public sentiment is be-

coming aroused. The American people are loudly, insistently demanding that this infamous system of class legislation shall cease, and unless this Congress regards their wishes they will soon compel compliance, even if they have to resort to a renovated Congress. [Loud applause.]

Mr. HAMER. Mr. Chairman, to have a good, old-fashioned grandmother, literally inclined, is one of the chief blessings vouchsafed by a thoughtful Providence to man.

I remember mine very distinctly. She was one of those kind, venerable old ladies, full of "wise saws and modern instances," with which she would often undertake to correct the sometimes noisy and always troublesome pranks of a robust youngster. One of her favorite couplets was supposed to be the true and exact description of a very circumspect small boy, and ran about as follows:

Speak when you're spoken to;  
Do as you're bid;  
Keep your mouth shut,  
And you'll never be child.

In the good old days back yonder that roundelay never arose above the dignity of a nursery rhyme, but I understand that the scope of its wise admonitions has been enlarged in recent years until it now applies to and includes all new Congressmen. And it is well. The brand-new Congressman, especially if he hails from the far West, is not supposed to impress this great body with the gravity of any situation. He does not carry enough weight to make a dent in the pavement on Pennsylvania avenue except in July and August, when the scorching rays of a sympathetic southern sun softens the asphalt up, and then, along about May or June, the "Iron Duke of American Politics," "by and with the advice and consent of the Senate," promptly adjourns Congress for the heated period, thus depriving him of that poor satisfaction. [Laughter and applause.]

But through the courtesy of the distinguished gentleman from New York, who is alike the sturdy father of this bill as well as the kind and indulgent parent of the youngsters of this Congress, possibly because I was a "good Indian" and complacently followed my file leader in the organization of this House and got duly "cussed" by a portion of my constituents therefor, but more probably on the theory that what little I may say can not possibly result in the defeat or serious mutilation of this bill at the present stage of its consideration, I have been allotted a little time to-day.

There is no legislation of more general and far-reaching importance to the people at large than that contemplated under the "metal schedule" of the present tariff bill. It directly affects the great mining industry of this country, which, with farming, is the real source and foundation of all our national wealth; and if prosperity is to remain and abide with us, these particular industries must be encouraged, reasonable profits maintained, and productivity increased. The history of the past gives fair warning that low prices for our farm products and our metals mean sympathetic stagnation in the store, the bank, the shop, the office, and the mill. If the miner can afford to pay the duty on the materials he consumes, including the productions of the farm, the farmer can certainly do so without great burden; and as every other line of profitable endeavor depends on mining and farming, I am unable to grasp the philosophy that permits dependents to seriously complain.

The incentive that lures the prospector from the pleasures of civilization and the comforts of home into the inhospitable but fascinating western hills is the possibility of sometime and somewhere discovering a "bonanza;" in other words, a productive, or, if you please, a paying mine. In the days prior to the so-called "crime of '73," such a mine was one that produced in paying quantities either of four metals—gold, silver, copper, or lead. Consequently, the hopeful and hardy miner went forth upon his quest feeling that he had four chances of success. And right diligently he worked, his tribe increased, and the treasure-laden stage coaches and gold-lined ships from California, Florence, Boise Basin, the Comstock, and Black Hills were the legitimate results.

In the early forties the available money supply of this country was less than \$7.87 per capita. The market price of labor was paid, as well as measured, in the products of the farm. The "coon skin" was the recognized medium of exchange, and real, actual money, in sufficient quantities to carry on the hibernating commerce of the country, was unknown.

In 1849 California laid the first fruits of her wonderful treasure at the feet of the Republic. She produced that year nearly \$50,000,000 in silver and gold, and the evolution of "God's chosen" from a community of horse traders into a nation whose commercial strides and industrial growth have been unprecedented in the world's history, first began.

In 1873 silver was demonetized, and the market price of that metal soon fell from \$1.29 to 80 cents per ounce, thus eliminat-



ing silver as an incentive to further exploration, and reducing the prospector's possibility of discovering a paying mine in due proportion, for no one familiar with the subject will seriously contend that the "white metal" at the present market price can be profitably mined, except when found with its metallic affinity—lead. To-day the profitable mine is one that produces either gold, copper, or silver and lead combined, and, as a result, the incentive to further mining development in this country has been decreased from four to three, and I am here to hazard the prediction that if the present tariff on lead in ore and pigs is now reduced, the mining of lead and silver in the United States, from Canada to Mexico, will be destroyed; and by that act, having reduced the possibilities of success in this great industry again from three to two, you will have further discouraged the prospecting of our mountains, not for lead and silver alone, but for gold and copper also, with the result that you will have seriously crippled, if not entirely destroyed, a legitimate, honorable, and productive industry that has added more real, lasting, and intrinsic wealth to the Nation than any other known to man. For the opening up of mines in the industry, courage, and intelligence of mining men has done more to develop the larger part of our country than anything I know.

The trappers and hunters of the Hudson Bay Company, who first invaded the great Northwest, and the hardy and adventurous partisans who later followed in the great "Pathfinder's" train, were simply prospectors in disguise. They trapped and hunted beaver in the winter, only to procure a "grub stake" for prospecting in the spring. And thus the mines were first discovered and the trails leading to them "blazed." Then the railroads were constructed and the mills and smelters built. Then the farmer and stockman came; towns and cities, attracted by the splendid market for their products, made possible by the opening of the mines, sprang up on every hand; and the railroads and subsequent extensions have been busy ever since transporting the products of these mines to the Atlantic seaboard and returning laden with eastern merchandise and the products of New England spindles, mills, and factories. The balance of trade always has been, and now is, in your favor, for we of the West are not a manufacturing people. We are essentially producers of raw material, and as such are not competitors of yours. We do not compete with our own flesh and blood; our commercial rivals are to be found in Canada, in Mexico, and beyond the seas. But, my brethren, at the expense of being thought an alarmist, I am here to-day to prophesy that if by unwise, thoughtless, and selfish legislation you cripple and destroy our industries we will, in a few short years, develop into competitors, the cheapness and excellency of whose finished products will make you of the East regret your inconsiderate haste and narrow policy. Nature has, indeed, been prodigal in bestowing blessings on the West. The raw materials that go to make up the finished product are hard by ideal factory sites. We have timber, wood, iron, coal, and limestone in abundance, and more watts of electric energy now flowing uncurbed, unbridled, and useless to the sea than was ever dreamed of in your philosophy.

There is hardly a county in the State of Idaho that can not produce within her borders at the minimum of cost enough electric power—the cheapest known to man—to drive all the wheels and spindles of the largest manufacturing city in the Union. The labor necessary to man those wheels and spindles is now profitably employed within our smelters and our mines. It is true they receive good wages, better than those paid to the average factory hand, but the risks they take, the dangers they face, the hazards they run, and the additional cost of living is greater by far and fully justifies the increase. But once reduce the tariff on lead, lumber, wool, and sugar beets, which are our raw materials, below a just and fair margin of protection, which means that our labor must suffer an unfair and unjust reduction of wages, or seek employment in other and different lines, and you will wake up some bright, frosty morning and discover that the manufacturing center of the Union has moved west "between two suns."

And were it not that western patriotism is coextensive with the Republic; were it not that we are ever ready with voice and vote and arms and men, when necessary, to extend that patriotism over the East and South and North and every other spot on earth where Old Glory proudly floats, we might, with that selfish propriety that some of you are apparently ever ready to display, suppress this note of warning and permit you to legislate your factories from East to West; to make of New England an erstwhile golf links, where, in future years, some thrifty descendant of the "man who made coal oil famous," will alone be financially able to engage in the modern game of "shinney," while the great-grandsons of your captains of industry will be so reduced in pride and purse that they will gladly

essay the rôle of "caddy," and for a much needed quarter of a dollar chase the rubber ball, which would simply mean that the legislative and political sins of the father will be visited on the children, "even unto the third and fourth generations." [Laughter and applause.]

While the mining of lead is not exclusively a western industry, it is substantially so, for we produce two-thirds of the entire output of the Nation in the Rocky Mountain West. Of the 350,000 tons of lead taken from the ground last year, one-third came from Colorado, Utah, Montana, and Nevada, one-third from the Mississippi Valley, and one-third from my own fair State of Idaho. The total of this vast quantity, together with the accompanying silver, aggregated in value \$40,000,000. In extracting the ore containing these values, reducing the same to the form of concentrates, as we are compelled to do in the West, and the smelting of the same, some 25,000 workmen, the most skillful, reliable, and competent in the world, were employed. In the transportation of this vast tonnage from the mouth of the mine to the smelter for treatment another 25,000 were employed. The value of the gold and silver ores that are smelted on a lead basis probably represent another forty million and employs, probably, another 50,000 men, and upon the industry and fidelity of this grand army 500,000 women and children depend for shelter, clothing, and their daily bread. The myriads of towns and villages that have grown up around and because of these great mines and smelters are legion, and the tradesmen, mechanics, artisans, and farmers, whose decent comfort and modest prosperity rest on and abide with the present and future prosperity of this great industry, are so many as to defy accurate computation. During the year 1907 one canyon in a single county of the State of Idaho produced 111,697 tons of pig lead and 5,584,850 ounces of fine silver, the total value of which amounted to \$15,555,315, and with that liberal, lavish hand for which the West is justly famous this almost prodigious sum was distributed as follows:

Forty-seven per cent, or \$7,310,998, was the original cost of production at the mine; of this, \$4,825,260 was paid for labor, the major part of which was expended by 6,000 toilers so employed for the necessities and luxuries of life and for the acquisition and maintenance of their homes. The green fields of all the agricultural States, from the Mississippi River to the Pacific Ocean, were liberally drawn upon to supply their tables; the apparel for themselves and families, the furniture for their homes, and the countless other manufactured articles required by a well-paid and intelligent American industrial community were requisitioned from the manufacturing States on this side of the Mississippi.

Thirty-three per cent, or \$5,133,254, was paid for transportation and smelting, which was again distributed by the railroads and smelters as wages to labor, and by the latter again expended for raiment, food, and other necessary supplies.

The remaining 20 per cent, or \$3,111,063, represented the gross reward to the vast capital invested, amounting in round numbers to \$25,000,000 in these mines, and if you deduct therefrom the annual interest charge and a reasonable amortization, you will agree with me that the net returns are indeed conspicuous for modesty in these days of corporate avariciousness and greed. [Applause.]

The most formidable competitor we have in the production of lead—because of accessibility, including cheapness of transportation to our markets, the abundance and low cost of labor, and the unusually large values of silver contents in the ore—is Mexico, our sister Republic on the south. I do not think it exaggeration to say that Mexico has within her borders the richest lead mines now operating in the world. The almost total absence of labor organizations, the infrequency of strikes or lockouts, the few wants and comforts demanded or expected by the peons, and the constantly increasing mining efficiency of the same, all combine to make hers the cheapest labor in the lead-producing field.

At the present time the lead mines of that country, owned and controlled by a single American corporation, are producing 3,000 tons per month or a production of 10,000 tons per annum in excess of our own.

The cost of mining everywhere naturally resolves itself into these principal factors: Mining, milling, freight, and smelting. And right here I desire to make a few comparisons which, in my judgment, show the ever-present danger of Mexican competition. I shall use Idaho prices in doing so, because of greater familiarity with conditions there, and a thorough investigation has convinced me that the fixed charges of mining in my own State are a fair average for the other States and Territories of the Rocky Mountain West.

The cost of production in the West is steadily increasing every year. The average profit-bearing life of a mine is small and

circumscribed. The "dead work" necessary in its first prospecting and development more than consumes the "output" of its early days, and the cost of production steadily increases in its later years because of the deep mining made necessary by working out the upper levels. The day when a lead-silver mine in this country paid from the grass roots down has long since passed into history, and the deep mining of the present necessarily requires more powerful, intricate, and expensive machinery, newer hoisting works, larger pumps; and the annual fixed charge for these items alone represents many thousands of additional capital.

The cost of smelting in the United States and Mexico is about the same, but a comparison of the difference in the cost of freight and the labor here and there is indeed startling.

I shall not presume on the intelligence of the House by quoting statistics to demonstrate that Mexican labor is to be procured at less wages than our own. It is sufficient to say that the wages paid American miners in this country is three times that paid in Mexico.

The freight rate from the Mexican mine to the smelter at Monterey is \$3 per ton of ore, or \$6 per ton of lead, and from Monterey to New York the freight rate is \$4 per ton, making a total transportation cost of \$10 per ton of lead in all. The rate from the Coeur d'Alenes, in Idaho, to the smelter is \$10 per ton of ore, or \$20 per ton of lead, and from the smelter to New York is \$7 per ton additional, making a total freight charge of \$27 per ton of lead.

Those Members of the House not familiar with mines and mining, because of dearth of time or lack of opportunity to investigate the facts, will no doubt be much surprised, and probably incredulous, when I say that lead can be, and is, sold for 2 cents per pound at the mouth of the Mexican mine, and even at that low price carries a profit, while in Idaho the actual cost of production is 4 cents per pound, not counting the interest on the million dollars that represents the average capital invested in a producing mine or amortization on the plant.

And in this connection I can not refrain from calling attention to a part of the testimony given before the Ways and Means Committee by Mr. C. E. Allen, of Utah, relative to the cost of production and the accruing profits on a ton of lead ore. I have spared no efforts to verify his figures, and after doing so I have arrived at the unalterable conclusion that they are a fair average for all the lead-producing States of the West, including Idaho. Mr. Allen says:

In the year 1906, upon which I have based my figures, because those are more complete, we produced 125,342,836 pounds of lead, or 164 pounds of lead per ton of ore, and this contained 68,340 ounces of gold, or 0.089 ounces of gold per ton. This lead also carried with it 9,406,758 ounces of silver, or 12.27 ounces of silver per ton. That is, 82 per cent of the silver produced in Utah came from lead ores. Between 26 and 27 per cent of the gold produced in the State came from the same source. The average value of the metals produced in lead ores in that year from this State were as follows: Lead, 5.7 cents per pound; gold, \$20.67 per ounce; silver, 67 cents per ounce.

The value of the contents per ton was: Lead, \$9.32; gold, \$1.84; and silver, \$8.22; making a total value of each ton of lead ore produced \$19.38. It cost the miner to produce this ore as follows: Ten per cent deduction from the price of lead cost him \$0.93, and 5 per cent deduction from the price of gold cost him \$0.09 per ton; 5 per cent deduction from the price of silver cost him \$0.41; average wagon and railway haul cost him \$2.50 per ton; sampling, \$0.50 a ton; smelting, \$8 a ton; and mining, \$3.50 a ton. Some of those figures are estimates of my own, but they are well within the facts and the sum total is conservative. The total cost, then, to the miner, was \$15.93, and he received \$79.38 per ton, which would leave on apparent profit of \$3.45 per ton. From this should be taken at least 10 per cent for writing off the property. A mine is not like a farm—the longer you mine it the less you have. The longer a farm is worked the better it should be, and any careful business man will write off at least 10 per cent of his mine each year. \* \* \* If we take off, then, the 10 per cent for amortization, as it is sometimes called, we have \$3.10 per ton for each ton of ore mined in 1906, which comes to the miner. But during this year the price of lead was abnormally high—about a cent and a half higher than it has averaged during the last fifteen years. The price of lead to-day is 4.3 cents per pound. In 1906 it averaged 5.7. We can not expect, on the average, that lead will be much more than 4.3 per pound, even with the present tariff. If we take the difference between the price of lead in 1906 and the price of lead to-day it would reduce the profit per ton on the ore produced that year \$2.25 per ton—\$2.29, to be exact.

There is another thing: When this lead ore was produced the average value of silver was 67 cents an ounce. To-day it is 50 cents, or less. That represents a loss on each ton of ore of the same average value as we produced in 1906 of \$2.09. \* \* \* So that if these two reductions in the value of the tonnage produced in 1906, or a similar tonnage, should come at the same time it would more than wipe out all the profit that was made upon the 766,530 tons of lead ore produced in Utah in 1906. And under the conditions which now exist, and the relative value of labor in Mexico and Utah, the miners of Utah wish to ask this committee that the tariff on lead be not interfered with.

Which means that the average lead-silver mine of the West to-day, with lead at 4.3 cents per pound and silver at 50 cents per ounce, is being operated at a loss, if, indeed, in operation at all, for many of them, especially those of low-grade ores, are now shut down. And in this connection it is well to say that it ordinarily pays better to operate a mine at a small loss than to abandon work completely, for continued timbering is

necessary, and continued pumping is required, else the lower workings of the mine will "cave" and fill with water, entailing more labor and expense in refitting it for work than would ordinarily result from a reasonable period of unprofitable mining, because of low prices.

Under these circumstances it would seem absurd to further contend that lead mining can be profitably prosecuted in this country without the continued aid and assistance of the present protective tariff. I am not unmindful of the fact that some able, honest, and conscientious Members of this body contend otherwise, but in doing so, I am inclined to the belief that they are misled by the exaggerated statements that come from those whose business would be greatly benefited by a reduction in the existing schedules.

For instance, we hear the allegation often made that our neighbors on the north, without protection, are enabled to successfully compete with lead produced in Mexico. I deny the allegation. There is considerable lead mined in British Columbia, but upon every pound there thus produced the Canadian government pays a bounty of three-fourths of a cent per pound, and, in addition, the Dominion laws provide for an ad valorem duty of 15 per cent upon all imports. This bounty, taken with the ad valorem duty on the present London price of lead, affords the Canadian producer a protection of approximately \$1.35 per hundred pounds, or a very slight reduction, only 15 cents per hundred pounds under our present duty, which reduction is more than overbalanced by the increased expense of mining here.

It has been contended on the floor of this House that the American Smelting and Refining Company, the so-called "lead trust," and not the miner, is the real beneficiary of the existing tariff, because such tariff enables it to arbitrarily fix the price of lead to the consumer. I am at a loss to understand how anyone can adjust such conclusion to present existing facts. The American Smelting and Refining Company is one of the very big corporations of this country. Its capitalization reaches many millions, and I have no doubt contains enough water to float a battle ship. In recent years some of us have acquired the habit of shying at a large array of figures, because they are large; of ascribing to money, when collected in unusual sums, attributes it knows not of, and voluntarily conceding to men controlling these vast sums powers quite often impossible of accomplishment. Now, I have no doubt that in its original conception this great corporation aspired to be a "malefactor," but the great trouble has been that when it came to a show-down it could not play the part. It is the old, old story—"the spirit is willing, but the flesh is weak." If the trust is able to arbitrarily fix the price of its product, it occurs to me that the present moment is, or, in fact, any time during the last sixteen months, has been a mighty propitious time to fix it. As a matter of fact, it has been playing a losing game during most of that time and has been forced to dispose of its product on a continually falling market. At present it is selling lead at 4 cents a pound that actually cost it \$4.10 to \$4.50 per hundred.

A trust is not generally organized or conducted along eleemosynary or philanthropic lines. Sentiment and expediency are two words that are painfully and persistently absent from the trust's vocabulary. Its mission on earth is to make money, and it never misses an opportunity or slips a cog to put the price at the highest figure the traffic will bear. Under these circumstances I feel justified in calling on those gentlemen who are advocating a reduction on lead ore and pigs to further explain why, with lead selling at £13 10s. in London, which, including transportation and insurance, would make European lead cost \$3.81 per hundred pounds in New York, duty free, or \$5.31 per hundred with the present duty added, the trust should, if it controls the American market, be selling lead at a less price here. Why not maintain the price at \$5.31 instead of \$4 per hundred pounds? These conditions, now actually in existence, could not possibly obtain in a market controlled and dominated by a trust or combination.

No, Mr. Chairman, the "trust" can not fix, maintain, or control the price of lead, and I will tell you why.

It simply finds itself unable to control the American output, else they could and, I have no doubt, would. Of the 350,000 tons of lead produced in the United States last year, the so-called "trust" refined only 175,000 tons, or 50 per cent of the total production. Smelters absolutely independent of this great corporation refined the balance, and no sane man familiar with the inexorable laws of commerce and trade will seriously contend that the control of one-half of the supply of any given product carries with it the power or ability to absolutely fix the selling price. Even that remarkable document commonly known and designated as the "last Democratic platform" concedes that no corporation or combination can be finally and decisively branded as a "trust" unless it controls at least 50 per cent of a



product, and Democratic platforms of late years are generally given credit for being sufficiently radical in statement. [Applause.]

There are now operating in this country some 50 independent smelters and more are building every year, and if there is a controlling trust in this country to-day the best and most effective way to "clip its wings" is the wise encouragement of independent and competing producers. I, personally, know that a company was recently organized and financed in my State for the purpose of building an independent smelter. The capital, some \$100,000, has already been subscribed, the site acquired, and the machinery and materials purchased and some months ago delivered on the ground. But in the last few days a letter has been received from the president of the company to the effect that work on this project has temporarily ceased, pending final action on the present tariff bill, and that the erection of the smelter will be permanently abandoned if the proposed reduction in the present lead schedule is finally accomplished.

The erection of that smelter would place another thriving town on the map of Idaho, and would add from 200 to 500 thrifty and intelligent workmen to the population of my State. But some will say that those men who have invested \$100,000 in smelter equipment are "bluffing." They certainly will not let the same forever lay, unproductive and useless, rusting and rotting in the rain and sun. No; they will not. That equipment is located to-day within a short distance of the Canadian line. It will always be a welcome acquisition to the lead district of British Columbia and if, by injudicious legislation, you drive that smelter across the border, it will be one of many American-made smelters that will in future pour from its moulten mouth tons and tons of bounty, encourage British lead back into this, the greatest lead-consuming market in the world. It will be a part and parcel of a genuine, not an imaginary trust; a trust that will not only control the entire lead production of Canada, but of Mexico and of America as well.

It is an open secret among well-informed mining men that the so-called "lead trust" prefers the entire abolition of the existing tariff on lead, in ore as well as on pigs and bullion, and why? Simply because without a protective tariff it would soon be complete master of the lead-producing field; it would be enabled to do that which it has failed to accomplish to date, which is to close down and make valueless every lead-producing mine in the United States. Nonproductive lead mines are not desirable properties to hold, and the present owners of those properties would soon put them on the market at any price in the event that the much-desired object is accomplished. This would give the so-called "trust," with its \$100,000,000 of capital and \$14,000,000 ready surplus, the opportunity it has so long and persistently sought. It would purchase those dismantled mines at its leisure and at its own price, and being already the undisputed and absolute feudal lord of the Mexican lead fields, would soon be in possession of the original source of production, the one thing absolutely and essentially necessary to enable it to dictate and control prices to the consumer, with none to say it nay. Nor is it a sufficient answer to this allegation to say that when the price of lead again advanced the trust could not control production, because new and hitherto unknown ore bodies would be opened up, for valuable mines are by no means common, and no new lead deposits have been discovered in the United States in the past ten years.

And in this connection I desire to call attention to the fact that the bill now under consideration contains a provision which, unless eliminated, will defeat the protective feature of this legislation so far as the American lead miner is concerned.

Under the provisions of the reported bill, lead dross, including all dross containing lead, lead bullion, or base bullion, lead in pigs or bars, old refuse lead run into blocks or bars, and old scrap lead fit only to be remanufactured, lead in any form not specially provided for in sections 1 or 2 of this act, all of which formerly carried a duty of 2½ cents per pound, is to hereafter carry a duty of but 1½ cents per pound, or the same rate as provided for lead-bearing ores.

As I have explained before, Mexican lead, after paying all fixed charges, including transportation, can be delivered on the New York market at 2½ cents per pound, and at that price return a reasonable profit to the producer. If you add to this the proposed tariff of 1½ cents per pound, you will see that the Mexican lead can be sold in our markets at 4 cents per pound, with an attendant profit. And inasmuch as it actually costs 4 cents per pound to produce Idaho lead, without taking into account either interest on the money invested in the mine, amortization, or profit, it will be readily seen that this particular provision of the pending bill will inure to the benefit of foreign production and at the same time destroy our own.

Another reason advanced for lowering the existing schedule on ore and pig is the alleged difference of the prices paid for

lead paint in this country as compared with Canada. One of the gentlemen who recently communicated with the Committee on Ways and Means and advocated a reduction on the present price of lead gave as his reason that lead paint that could be purchased in Canada for 4 cents per pound would cost the American consumer 6 cents. This statement, I am told by those who are in a position to know, is somewhat exaggerated, but for the purpose of illustration it is near enough.

I hold in my hand the photograph of one of the largest hotels in Washington City. It is a brick structure of 325 rooms. It has a frontage of 110 feet, a depth of 100 feet, and is 13 stories, or 175 feet high, and has an exposed surface of 7,000 square yards, which is covered with three coats of lead and oil. I recently wrote the owner of this vast structure, who, by the way, is an architect of high standing and skill, and asked him the exact number of pounds of white lead used in painting the building and the average life of three coats of such paint. Here is his answer:

The exterior finish of the building is brick, covered with three coats of the best paint procurable, which is lead and oil. In painting the building 6,600 pounds of ground white lead was used, the rough surface of the brick consuming twice the amount of material that would be required to paint an equal area of boards, and almost twice as much as will ever be required to repaint it. The estimated life of three coats of lead and oil on an exposed surface is ten years.

In a later conversation with him I said:

My dear sir, do you know that, according to the best free-trade authority we have, if you had built your hotel in Canada instead of in Washington you would have saved 2 cents upon every pound of white lead used in painting your building, and, according to your figures, it took 6,600 pounds to do the job?

And what, Mr. Chairman, do you think he said in reply?

Well, what of it? The alleged economy only amounts to \$132 out of a total of a million dollars that it cost to build it. That \$132 was my contribution to the lead miners of the Nation, who spend one-third of their lives in dangerous and exhausting labor underground. I do not begrudge it; it was my contribution to the general prosperity of the country, without which my hotel would never have been built.

One of many kind-hearted patriots, Mr. Chairman, whose only fault is that they can not help being Democrats, because they were born that way. [Laughter and applause.]

Now, I hold in my hand another and different picture. The neat and modest cottage of one of the toilers of the land. It contains six rooms and a commodious pantry, is built of lumber, and is 26 by 22 by 20 feet in size, and has an exposed area of 24 squares. It contains a toilet and bath and is connected with the city sewer. Its exterior is finished in three coats of lead and oil. It required just 120 pounds of lead to paint that house, and 18 pounds of lead pipe to plumb it, making a total of 138 pounds in all. I also had a talk with the owner of this house. I said:

My good man, do you know that had you built your home in Canada you would have saved \$2.76 in painting and plumbing it?

He was silent, and, as I thought, dumfounded, but slowly taking a scratch pad from his pocket, he wrote and handed me this message:

Say, mister, I lived in that country for thirty years in a rented cottage and lost my voice singing "God save the King."

[Laughter.]

His answer was all sufficient.

Lead is an almost indestructible metal, and about the only way you can destroy it is by fire. If manufactured into pipe, it will last for centuries, and the average life of lead paint is ten years. The ordinary householder of this country consumes not to exceed 250 pounds of lead in paint and plumbing each generation, so his contribution to the lead trust—if there is a successful one, which I deny—amounts to less than 20 cents a year. That prices for lead are somewhat higher in this country than abroad I do not attempt to deny, but if there is a single human being beneath the flag to-day who objects to this just and fair recognition of the underground lead miners of the country, and the 500,000 women and children dependent upon them for their daily bread—I say if there is such a one, let him deny himself the pleasure of two 10-cent highballs during Lent and from this enforced economy pay the bill or expatriate himself to Mexico, where in the mountain fastness of his new-found home, he can drink pulque, spin his prayer wheel, or fall down before his new-found free trade idol, and none can say him nay. [Laughter and applause.]

During the four years under the Wilson bill, the average price of lead in New York was \$3.27 per hundred pounds; the average price in London, \$2.37. The London price of \$2.37, plus the then existing tariff of 75 cents per hundred pounds, equals \$3.12, or 15 cents per hundred less than the average selling price in New York at that time. So the American consumer paid for his lead the London price plus the duty and 15 cents per hundred. Now, let us compare these prices with those that prevailed during the next four years under the Dingley tariff, with a protective duty of \$1.50 per hundred, or 1½ cents per pound. We

find the average New York price to have been \$4.24; the average London price, \$3.12. The London price of \$3.12, plus the tariff of \$1.50, equals \$4.62 per hundred. In other words, the American consumer paid for his lead just 38 cents per hundred less than the London price with the duty added. And I pause to give some mathematical expert an opportunity to say that lead cost the consumer 97 cents per hundred pounds more under the Dingley law than it did under the Wilson law. That is true, my friends, and it is also true that every other article used by man is proportionately dearer now than then. But show me the altruistic patriot who is willing to accept for his particular product a lower price. The farmer does not want a lower price, neither does labor, and by "labor" I mean all the toilers of the Republic, whether employed in the factory, mill and mine, or on the farm. And so, when some strong-lunged Democrat bellows forth the glad tidings that lead costs the consumer more now than it did in 1897 [laughter], or some attenuated Republican rapidly passing into the age of the "lean and slippered pantaloons," which is the next thing to being a Populist [laughter], joins in the uncalled-for clamor, the Republican party, if it still possesses the grit of its founders, will answer:

We don't care a continental if lead does cost the consumer 97 cents a hundred pounds more than it did under the Wilson law, and the American people don't care. It is ninety-seven times easier to secure the 97 cents now than it was in 1897, and, anyway, that 97 cents represents the difference between the comfortable home, roast beef, and living wages of the American miner and the mud hovel, chill corn, and silver peseta of the Mexican peon.

[Great applause.]

And if you need any other justification than your own good conscience, listen to these comfortable words:

In accordance with the promises of the platform on which I was elected, I shall call Congress into extra session to meet on the 15th day of March, in order that consideration may at once be given to a bill revising the Dingley Act. This should secure an adequate revenue and adjust the duties in such manner as to afford to labor and to all industries in this country, whether of the farm, mine, or factory, protection by tariff equal to the difference between the cost of production abroad and the cost of production here.

Which, Mr. Chairman, is an extract from the new dispensation, a plain, clear, logical, and truly great economic sermon by one of the profound men of this Nation, William Howard Taft. [Applause.]

There has been a wonderful change in the productions of the eastern part of the United States in recent years, and in consequence a decided and radical change in the attitude of her people toward government policies. Those who made the New England farm life in the days of Whittier's "Snowbound" have long since passed to their reward, and succeeding generations have either been lost in the city's crowd or moved on to the more fertile fields and better opportunities of the West. Unless the growing antipathy to farm life shall cease and the insane desire for city life be modified, the substantial abandonment of the New England farm will be complete in another generation. As a means of livelihood, the factory has already usurped the province of the land. The East has ceased to be a producer of raw materials and has become the chief manufacturing center of the United States. If that were the full achievement of her mighty ambition, all would be well. But it is not. She aspires to be the manufacturing center of the universe, and we all wish her godspeed in her laudable undertaking, provided she will not forget her weaker sisters of the West as she goes on her world-conquering mission.

But, like all her universal competitors in manufacturing, she demands cheaper "raw materials," and as a result we are presented the anomaly of New England, an integral part of our common country, occupying the same economic relation to another part of the same country—the West—as does old England to the Nation.

Now, quite a few of those old New England boys who abandoned the farm for the city years ago have been exceedingly industrious along certain lines. Some of them have developed into long-haired, profound, and erudite professors of political economy. Since leaving the "old homestead" they have never produced so much as a blade of grass, let alone a pound of lead ore, a sugar beet, or a fleece of wool. But they have conceived something which is of far more importance to the manufacturing East, especially if they succeed in getting Congress to adopt their point of view, and that is a new economic theory—a brand-new theory—which they have been pleased to christen with an ancient name—the same old euphonious expression that Grover Cleveland used to put us all out of business with in 1893—"tariff reform." Now, whatever else may be said of Mr. Cleveland, all fair-minded critics will concede him to have been an outspoken and an honest man. He frankly told the people that "tariff reform" meant to him a "tariff for revenue only." But under the new and later dispensation, it may mean anything under the sun between the limits of free trade and the revision of a single schedule. [Laughter.]

It may mean free lead to the lead-pipe manufacturers of New York, whose profits it would no doubt increase. But if you want to test their sincerity ask them if they will consent to the repeal of the tariff on their manufactured article. In reading the tariff hearings before the Ways and Means Committee one can not help being greatly impressed by the equanimity with which a certain manufacturer of lead cables advocates that the tariff on "lead ore, lead bars, pigs, granules, and other forms" be forthwith reduced and at the same time complacently demanding that the tariff be increased on his own manufactured articles.

The Hon. Will S. Douglas, of \$3-shoe fame, was the Democratic candidate for governor of Massachusetts on a state platform favoring the removal of the existing duty on hides. Regardless of the fact that a state administration could have no more power to eliminate the duty on hides than a justice of the peace could have to reverse a decision of the Supreme Court, he was triumphantly elected. The history of that campaign is replete with assurances that "free hides" would mean more hours of work and better pay for the men employed in the shoe factories of Boston, but nowhere is it writ that Mr. Douglas at any time intimated that he would favor the removal of the existing duty on manufactured boots and shoes. [Applause.]

"Tariff reform" might mean free wool to the woolen manufacturer of the East, but when you ask them in return if they will consent to the importation of foreign manufactured woollens duty free you must read their answer in the stars, for that is as near as you will come to getting any satisfaction. [Laughter.]

The production of wool and mutton is an industry of very great importance to the people of my State, and in making this statement I want to impress upon this House that the industry is important to our people generally, and not alone to those who follow it as a regular vocation. There is a community of interest between the Idaho farmer and the Idaho sheepman that always has contributed to their mutual prosperity. The continued production of that clover better known as "alfalfa" is necessary in the arid portions of our country because of its wonderful fertilizing properties, and the progressive and successful farmer of to-day so rotates his crops that at least one-third of the total cultivated acreage is at all times planted to this hardy, soil-enriching plant. Always two, and quite often three, crops are each season taken from the fields, and were it not for the continued demand of the sheepmen for winter feed—for the Idaho sheepmen consume at least 50 per cent of the alfalfa produced—this wonderful yield would soon result in a congested and unprofitable market.

The high mountain ranges surrounding these alfalfa farms are peculiarly adapted to the sheep industry. On the diversified grasses, weeds, and verdure growing there the best mutton in the world is produced, as is evidenced by the ever-increasing demands for the Idaho product in the great live-stock markets on the Missouri River, as well as farther east, and solely because of the continued demand for our mutton and the top prices procured for the same, has the sheep industry, which represents an investment of almost \$5,000,000, been able in recent years to exist and survive.

Since the enactment of the Dingley tariff law to the present time, the cost of wool production in the West has increased to such an extent that the present duty of 11 cents per pound has been completely absorbed, with the result that from the production of the wool alone, there is no net profit. The public range has been continually diminishing during all that time by reason of the ever-increasing settlement under the benign and favorable provisions of our public-land laws. Our mountain ranges have long since been included within the government forest reserves and, as a result, the pasture that was once free to the flocks and herds of the sheepmen, now cost them a fixed and permanent rental, and, to the extent thereof, becomes an additional charge upon their expense accounts. The average yearly charge for the privilege of ranging sheep upon these reservations is 7 cents per head for ninety days—an expense that was never anticipated nor thought of ten years ago. The wages of herders, the cost of shearing, the price of supplies—all necessary and legitimate expenses incident to his business—have increased at least 50 per cent since 1897. In that year the cost of running a herd of Idaho sheep, consisting of 1,700 head, the average size of a western flock, was \$1,479 per year; to-day the actual cost of maintenance for a herd of the same size is \$2,844. Thus it will be seen that the annual expense of carrying on this business, based upon the herd as a unit, has increased \$1,365. The average fleece of an Idaho sheep weighs 7 pounds, and the wool, rating as first class, carries with it a protective-tariff duty of 11 cents per pound under the existing schedule, which amount to 77 cents per sheep, or a total of \$1,309 for a herd of seventeen hundred.



As above stated, the increase in expense amounts to \$1,365, so that it will be seen that the protection afforded by the present tariff is more than offset by the advance in the cost of production.

It may mean free sugar, or what is just the same, the unlimited admission into this country, duty free, of raw sugar from the Philippines. Such an arrangement would no doubt be acceptable to the manufacturers of chocolate and bonbons and the professional "taffy pullers," who ply their trade on the boardwalk at Atlantic City every summer. It would no doubt increase the profits of both; but the price, I venture to suggest, would be just the same—5 cents a handful—to the consumer. The beet-sugar factory has done more to develop the agricultural resources of Idaho than all other manufacturing industries combined. When the first factories were built in southern Idaho, farms were extensive in area, but quite circumscribed in price. To-day, with four factories in successful operation, the exact reverse is true. The farms are small in acreage, but the acres have increased many times in value. Those factories represent an investment of \$4,850,000, and the stock is widely distributed in modest holdings among the people of the State, including the small farmers who grow beets. They employ 706 workmen, and the annual pay roll amounts to more than \$425,000. They produced last year 52,423,500 pounds of refined sugar, valued at \$2,359,107.50. From 20,080 acres of Idaho land planted to beets in 1908 was harvested 221,375 tons of sugar beets, or an average of 11½ tons per acre, for which the farmers received \$985,487.50, and the railroads \$52,000 for transportation to the factories. The fertile soil of Idaho, with an abundance of water for irrigation and 291 days of saccharine-producing sunshine every year, makes her an ideal American sugar-beet-producing State.

But we can not compete with the Tropics—the more cheaply produced sugar of the Philippines. Our sugar farmers are Americans, not Asiatics. Our field laborers demand and are paid an average wage of \$2 per day, as against the 25 cents per day received by the Filipino, and the ocean freight to this country on sugar is so insignificant, compared to the cost of production, that it is no offset to the cheaper labor of that distant land. Our average raw-sugar production per acre is, with intensive farming and perfect cultivation, 3,000 pounds, as against an equal number of pounds per acre produced over there with very indifferent farming and practically no cultivation.

The United States is paying out annually \$100,000,000 for foreign sugar, there being that difference at present between the home supply and demand. If no unfavorable tariff legislation is enacted in the next ten years, the arid West will bring the supply fully up to the demand of our own people, and then we will not only have the sugar but the \$100,000,000 also.

I am but voicing the sentiments of the people of my State in here protesting against the admission of Philippine sugar into our home markets duty free. Not that 300,000 pounds of free raw sugar will seriously interfere with the sugar-beet industry of the country at the present time, but because we believe that the precedent thus established is a dangerous one, and is intended and designed as an opening wedge for unlimited and unrestrained future importations from our dependencies, which would mean, if fully accomplished, the complete destruction of an industry so important and necessary to the development of the arid West.

The propose "tariff reform" may mean "free lumber," which would be a concession to a cult of so-called "political philosophers," but would not mean a dollar in the reduction of prices to the consumer.

The advocates of the reduction of the existing duty on lumber have, like kindred spirits contending for a reduction of duty on lead, used as their stock argument the old bogymen cry of "a trust." And there is just about as much evidence of a controlling trust in the one case as in the other.

There is an apparent disposition among certain gentlemen in and out of Congress to exhibit an overheated conscience in dealing with the revision of the tariff. They would have the world believe that their sole mission on earth is to prevent the "trust" from extorting the last possible farthing from the consumer, and this they propose to do by obliterating the tariff on American productions generally, but more particularly on raw materials. To all such I have to say that most intelligent people are fast arriving at the conclusion that you are all "four-flushers;" that you have become so hypnotized by "the interests" that you do not really want to destroy them at all; you just want to make people believe you do. And I want to take advantage of this opportunity to record a prophecy, and that is when the time is ripe for eliminating the trusts from the body politic—and I opine it is near at hand—you will receive a short epic in prose from the other end of Pennsylvania avenue that will point out with brevity and logic a mighty clever and ef-

fective way to go about it, and it will not be via the "tariff-reform" route either. And by that time, I suppose, you fellows who have been so insistent in getting into action in the wrong way will have discovered another and presumably a more effective hallucination, which, of course, will not do the job at all.

If I believed in the present existence of a lumber trust, or that the reduction of the present tariff on lumber would result in lowering the price of building material to the consumer, I would not only vote to reduce that tariff, but also to place lumber absolutely on the free list. There may be among retail dealers in the different towns and cities of the country some sort of a "gentlemen's agreement" that fixes the price to the local consumer. If that be true, it is the duty of the attorneys-general of the States in which that condition obtains to investigate and change it. The laws of almost all the States provide a remedy and point a way.

But when we consider that the most thorough investigation by that department of the Government particularly charged with the duty has failed to discover the existence of any such trust or combination; that the lumber industry is not confined to any one locality, but is, instead, widely distributed over 30 different States of the Union, and that some 30,000 different sawmills are engaged in the production of lumber; that the standing timber from which 40,000,000,000 feet of the manufactured article was produced last year is in the hands, not of a few, but of hundreds of thousands of individual holders, it is mighty hard to convince the fair, unprejudiced mind of the existence of such a trust.

That there has been a wonderful advance in the price of lumber we must all admit, but is it not also true that there has been a corresponding advance in almost every other commodity used by man, and that this advance is not confined to the United States, but is world-wide in its extent? So eminent an authority as the chairman of the Ways and Means Committee considers that the advance in lumber is not due to the tariff, "because," as he says, "it is a good many times the amount of the tariff." The strenuous activity of the bankers, who have been flooding the committee with telegraphic information to the effect that their loans to sawmills and lumbermen are in jeopardy, would seem to indicate that the lumber business generally is not in a very sound or flourishing condition. And I personally know, from letters received from my own State, that such is the situation there. If the mills are not making any money now, with a tariff of \$2 per thousand on their product, what will they do if you cut that tariff in two and to that extent open their home market to foreign competition?

Mr. Chairman, when an industry that ranks first in the consumption of farm products, second in the employment of labor, and third in the volume of tonnage furnished the railroads and transportation lines, in the midst of surrounding prosperity, with more money on every hand than the people know what to do with, in the golden age of agriculture, at peace with all the world, and with neither pestilence, famine, nor war in all our skies can not make both ends meet, it is high time to look out for breakers. There is something radically wrong. The Ways and Means Committee, through its chairman, tells us it is due to the increased price of stumpage. Whatever the cause may be, the lumber business can not continue to be run at a loss, and present conditions will soon result in one of two things: Either the owner of timber lands will be compelled to accept a reduction in the price of stumpage or labor, which constitutes a larger element in the cost of production of lumber than in any other manufactured article, must accept a decided cut in wages.

The ownership of the timber lands of Idaho, except in rare instances, is widely distributed among the citizens of that State. There are some 6,831 individual owners and their average holdings are 160 acres each. One million ninety-two thousand nine hundred and sixty acres of timber have been acquired under the government "timber and stone act," and in many cases represents the entire real estate holdings of the owner and, in most cases, a lifetime of saving and toil. Is it fair that these little properties of the people should be brought into enforced competition with Canadian stumpage? As well might you, with equal justice, legislate to reduce \$10, \$20, or \$30 per acre the value of the Illinois farmer's corn land or, in similar ratio, the ground that grows the North Dakota farmer's wheat.

It is no excuse to say that you are after the big fellow—not the little one. Mr. Weyerhaeuser, the lumber millionaire of Wisconsin, with his bank stock and other vested interests, ample for his present needs, can, with perfect equanimity, stand your onslaughts; but Ole Olsen, with a modest timber claim as his sole reliance for fast advancing age, can not. [Applause.] The gentleman from Wisconsin does not need the income from his timber holdings now. They can stand until the forests of Canada are denuded, when stumpage will again advance in price. He may have passed to the "great beyond,"

but his descendants will reap the profits. But Ole Olson, of Idaho, with an 80 or 160 acre timber claim as the sole dependence of himself and faithful wife, can not. And as between the interests of Ole Olson and Frederick Weyerhaeuser it will not take me long to decide. [Great applause.]

During 1908 there was employed in the sawmills of my State 4,771 workmen, and in the surrounding timber probably as many more. Those who were then employed in and about the 224 mills operating there were paid an average of \$2.60 per day, or a total of \$2,616,429.15, and it is fair to presume that the "lumber jacks" received an almost equal sum. Nearly 50 per cent of the mill men own their own homes, and taken all in all they are a thrifty, sober, upright lot of citizens. I know if the mills receive reasonable protection from the Japanese and Hindoo produced lumber across the Canadian line, the American mill men, whose wages represent 70 per cent of the gross output of the mills, will be continued in employment at present wages. I know that permanent employment at good wages means continued growth and prosperity for Sandpoint and Coeur d'Alene and other beautiful little industrial cities, whose splendid growth and wonderful development has been the pride of all Idaho; I know that I promised them all during the campaign last fall that if they elected me to Congress there would be no revision of the tariff, so far as I was concerned, unless sufficient margin remained to maintain wages at their present high standard and afford ample and abundant protection for every article and commodity produced within the State of Idaho. And whatever the result may be, whether it eliminate me from further official life or not, I shall make that promise to my people good in casting my vote on the present tariff bill. [Applause.]

No, Mr. Chairman, we of the West are essentially producers of raw material and will be for some time to come. The agricultural development of the West has just begun—that of the East was finished sixty years ago by the grandfathers of the present generation. Until far more favorable conditions than now exist shall make the West a manufacturing people too, will we consent, nor would it be fair to ask us to consent, to the repeal of a tariff that protects our sole productions from the competition of the cheaper labor, cheaper transportation, and more favorable conditions that exist throughout the world. There was a time, not many years ago, when conditions were exactly reversed. Then New England and other of our eastern sister States were producers of raw materials, and we, of the Rocky Mountain West, produced hardly none. We mined our gold and trapped our furs, but neither industry was then, nor has ever been, in need of protection, while on the other hand, everything we then consumed carried in addition to an exorbitant cost of transportation, the additional burden of a tariff, placed thereon, not in our interest, but at the behest of the eastern producers. For our flour, bacon, hardware, woollens, powder, and guns we uncomplainingly paid a price which, if demanded farther east, would have caused a revolution.

We believed then, as we believe now, that to foster and protect each and every interest of this country, whether peculiar to East, West, North, or South, should be the common interest of us all; and upon that upright and correct economic principle we propose to stand.

The spindles and looms, the factories and mills are of no more importance to the dwellers on the Atlantic seaboard than the mined lead, the shorn fleece, the sawed lumber, and the sugar beet is to the producer of the western mountains and plains.

I, for one, am willing to try the experiment of tariff reform under certain conditions, but I prefer that it start way down east, where it originated, and come west by easy stages; and if, after a few years' trial back there, it does not result in substituting adversity for prosperity, we may try it on our wool, sugar beets, lead, and lumber with some degree of confidence and equanimity. [Laughter and applause.]

On the other hand, if tariff reform is to degenerate into a game of "I tickle you and you tickle me," I for one propose, so far as my vote is concerned, that Idaho shall have her share of the tickling. [Laughter and applause.]

Mr. STEPHENS of Texas. Mr. Chairman, under the leave given, I desire to have printed in the RECORD the resolutions adopted by the Cattle Raisers' Association of Texas, and also a letter by their representative, Judge Cowan.

The documents are as follows:

IMPORTANT RESOLUTIONS ADOPTED BY THE CATTLE RAISERS' ASSOCIATION OF TEXAS IN THIRTY-THIRD ANNUAL CONVENTION, ASSEMBLED IN FORT WORTH, TEX., MARCH 18, 1909, URGING THAT THE TARIFF ON HIDES AND CATTLE BE RETAINED AND THAT RECIPROCAL TRADES AGREEMENTS BE ESTABLISHED WITH FOREIGN COUNTRIES WHEREBY OUR SURPLUS OF CATTLE AND MEAT PRODUCTS WILL FIND A READY MARKET IN SUCH COUNTRIES.

Whereas a special session of Congress is now called to revise the tariff laws of the United States; and

Whereas the cattle raisers are vitally interested in the tariff on hides, because, as we believe, the 15 per cent duty on hides is equivalent to

an average of \$1 or more per head as an added value to grown cattle for the 14,000,000 hides produced in this country; and

Whereas to remove the duty on hides will bring the cattle raisers of the United States in direct competition with South America and Mexico, where cattle and hides are produced by cheap labor on cheap land; and

Whereas we recognize that it is an established fact that a tariff system will be continued which places a duty and an enhanced price on all articles which are manufactured and which we consume, including leather, shoes, and manufactured articles of leather; and

Whereas it would be an unjust discrimination to single out the stock raisers of this country and place their product upon the free list and in competition with the production of the world, yet compelling them to pay tariff prices on what they buy; and

Whereas so long as the tariff upon leather, shoes, and manufactured articles of leather is retained no benefit would accrue to the consuming public by placing hides upon the free list, but the effect would be to legislate out of the pockets of the stock raisers and farmers and into the pockets of the tanners, shoe manufacturers, and manufacturers of other leather products whatever of benefit is now received from the tariff on hides; and

Whereas the manufacturers and producers of leather, shoes, and manufactured articles of leather now enjoy the privilege of using imported hides for the purpose of manufacturing leather and the products of leather to be exported practically free of any duty, from which it follows that no considerable increased output of these articles will be occasioned by placing our hides upon the free list; and

Whereas there is a constantly increasing cost in the production of cattle and the business is carried on with small margin of profit; and

Whereas the prosperity of all the corn-belt and western range States is dependent upon the live-stock business and the producers of live stock are entitled to as full measure of benefit as other industries from tariff laws and to fair and equal treatment; and

Whereas erroneous and misleading statements have been made and widely circulated by the organizations of tanners and manufacturers of shoes and leather goods, in which it has been claimed, without any foundation whatever in fact, that the producers of cattle derive no benefit from the tariff on hides, which statements are based upon the assertion that the packers derive all of the benefit of the tariff on hides; and

Whereas of the total of 13,000,000 hides of cattle slaughtered the big packers slaughter only about 5,000,000 and the balance are slaughtered as extensively as the necessities of population and the production of cattle throughout the United States require; and in addition there are produced 1,000,000 fallen hides and 5,500,000 calf hides, of which the big packers slaughter only about 1,000,000, from all of which it is apparent that so far as the price of hides is affected by the tariff it must necessarily be an element in the value of the animal by whomsoever it is owned which must be reflected in the price to whomsoever sold: Now therefore be it

*Resolved by the Cattle Raisers' Association of Texas (embracing in its membership cattle raisers from Texas, Oklahoma, New Mexico, Kansas, Colorado, Arizona, and many other Western States) in annual convention assembled at Fort Worth on this March 16, 1909:*

First. That we demand the retention of the duty on hides, expressing our willingness to place a reasonable minimum below the present duty for the purpose of reciprocal trade agreements with foreign countries, if that system shall be adopted in the law to be enacted; or if a system shall impose above a reasonable tariff, a maximum duty for retaliatory purposes, then an appropriate maximum above the present 15 per cent duty.

Second. That we demand that the duty shall be made alike applicable on all hides of cattle and calves.

Third. We protest against the placing of hides on the free list as an unjust discrimination against the stock raisers and farmers as depriving them of the direct benefit to the farm and ranch in behalf of the interested manufacturers of leather, shoes, and leather articles.

Fourth. We hold that the fact that the tariff on hides increases their cost to the tanners and consequently the price to the purchasers, furnishes no basis or occasion for placing hides upon the free list, because the very system of laws in which it is proposed to place hides on the free list establishes a protective tariff system on practically every article which we purchase and consume, including leather and leather goods, with the expressed intention and for the express purpose of thereby increasing the price compared to what such articles could be purchased for in foreign countries were the duties thus imposed removed.

Fifth. We condemn as wholly erroneous and unfounded the repeated assertion made by tanners and manufacturers of shoes, circulated in the press and otherwise, that the tariff on hides is of no benefit to the stock raisers and the farmers. We concede to the manufacturers of leather and shoes the right to decide whether the tariff on their articles is a benefit to them, and we demand for the stock raisers and farmers of this country the right to themselves determine whether the tariff on hides benefits the producer, and we challenge their statements as entirely erroneous and as based upon nothing except an interested barefaced assertion.

Sixth. That a copy of these resolutions be forwarded to United States Senators and Members of Congress.

*Resolved by the Cattle Raisers' Association of Texas, in annual convention assembled at Fort Worth, Tex., March 16, 1909.* That we are in favor of the retention of the present import duty on cattle, with such reasonable adjustment and maximum and minimum schedules consistent with whatever tariff law is enacted as shall best subserve the interests of the cattle growers of the United States.

Whereas the surplus production of cattle and dressed beef can not find a ready and free market without opening to the products of this country the market of continental countries of Europe, Germany, and France; and

Whereas we do not export any cattle on the hoof or dressed beef to any continental country of Europe aside from Belgium; and

Whereas the great cattle-producing interests of the United States can only succeed in the fullest measure to which it is entitled by opening the markets of foreign countries to our surplus: Be it therefore

*Resolved by the Cattle Raisers' Association of Texas, in annual convention assembled at Fort Worth, Tex., March 16, 1909.* That we urge upon Congress the necessity of establishing such system of tariff laws as shall enable the Government of the United States to make reciprocal trade agreements whereby our surplus of cattle and meat products will find a ready market in such countries: Be it further

*Resolved.* That a copy of these resolutions be forwarded by the secretary of this association to the Members of Congress from the cattle-growing States, requesting their earnest support of such system of



tariff laws as shall best enable this country to secure the opening of such foreign markets to our cattle and dressed beef and other meat products.

Hon. JOHN H. STEPHENS,  
Washington, D. C.

AUSTIN, TEX., March 25, 1909.

DEAR SIR: Judging from statements made by a representative of the shoe and leather organization at our convention, and before the Ways and Means Committee, and from circulars sent broadcast by the million, I believe that their advocates will contend in the debate on the tariff bill, as was contended on the meat-inspection-fee bill, which you will recall, that the cattle raisers are induced by the packers to advocate the retention of the duty on hides. This is entirely untrue. No representative of the packers ever communicated with any of the officers or executive committee of either the Cattle Raisers' Association of Texas or the American Live Stock Association upon the subject.

The packers are said to be extensively interested in the manufacture of leather, and, as you will observe by the statements of the tanners and shoemakers to the committee, they complain that the packers have gone into the leather business, and I have no doubt that is true as to some of them at least. If so, what they may lose, if anything, by putting hides on the free list on the one hand they will gain on the other, to the extent, at least, that they are in the leather business.

I assume that it is not unlikely that the fact that we stood with the packers in demanding, as most of our Texas delegation demanded, that the Government pay the inspection fees for live stock and meat inspection, that, therefore, we stand in with the packers as to hide duty. But in that case they were strongly advocating the same thing we were, while in this case they have not taken any stand and did not urge the matter before the committee. It would seem to me that, of course, they would be interested to a considerable extent to the retention of the duty—certainly if the contention of the leather and shoe men that they get the benefit has any foundation—unless that interest is counterbalanced by their interest in the leather business. Certainly all of the independent slaughterers ought to be interested, if the slaughterer gets the benefit, as they are not in the leather business, yet none of them have appeared.

We sent our briefs to the list of all slaughterers which we got from the Agricultural Department, with a letter requesting that they take action in the matter, but I have no information as to whether they did.

It is not unlikely it will be contended that because the packers and the live-stock raisers through the various associations have for three years or more jointly advocated in every way they could the extension of our foreign trade in dressed beef and live cattle, seeking an outlet on the continent of Europe where we do not sell any of either dressed beef or cattle, that the cattle raisers of the country and the packers stand in together. With respect to the opening of the markets to our products, our interests are precisely identical and our efforts have been made along the same lines, urging that reciprocal trade relations should be established that would give us access to European markets for these products, as we shall continue to urge.

These matters have been freely discussed in our conventions, and we have done all we could in that matter, acting in the same direction and for the same purpose, knowing that with Argentine gradually absorbing our trade in England, the only point of export, our foreign trade must be in the end seriously injured if we can not extend it to the continent of Europe. We are not fools enough to believe that we can sell them cattle if they can not dispose of the beef. Neither are we fools enough to believe that if by law the price of hides is reduced so that they do not get as much for them that they will not take off an equal or greater amount from the price of our cattle which they buy. We are in favor of the retention of the duty on hides because we know it to be to the interest of the cattle raisers, and they are all unanimous upon the subject, and this regardless of whether the packer may to some extent benefit by retention of the duty compared to what he would if it were taken off. I well remember wherein it was charged in a magazine article that because I advocated for the associations I represent that the Government pay the inspection fees that we were doing it for the packers' benefit. That did not deter me in the slightest, because I knew it was but an argument appealing to prejudice; so it is with respect to this matter. I know that the interest of the cattle raisers lies in the fact of retaining the duty on hides and cattle, whatever the tanners and shoemakers may think as to what benefit also goes to the packers. And I furthermore know that our interests and those of every exporter of beef, whether big packers or others—and there are many others—is identical, and we would be a set of blatant fools were we not anxious to secure the very widest distribution of our products, whether in form of beef or cattle on hoof, in order to give the opportunity at least for a better market at home.

Should the contention be made that because we act in union with the packers to secure a wider market for our products that our demand for the duty on hides is made in their behalf, I trust that it will not deter any sensible man from acting as the Texas delegation did in the meat-inspection fee bill—to demand the rights of the stockman, regardless of assertion that the stockmen are pulling the packers' chestnuts out of the fire.

You have been furnished with a statement showing that of the 14,000,000 hides other than calves annually produced they skin but 5,000,000; and if they keep the price high by virtue of the tariff, it is kept high alike for all others, and if every buyer knows that he can sell the hide for a good price, it stands to reason that the cattle raiser must benefit from that fact.

Forty-five per cent of the cattle sold on the Chicago market were sold to independent buyers and shipped to eastern points for slaughter. Of the total slaughter of near 13,000,000, the big packers slaughter 5,000,000. That they can largely dominate the market when there is a full supply nobody doubts; but often that condition does not exist, as is evidenced by the fact that we have had a good price for cattle for the most part for three years, except during the panic in the fall of 1907, when prices went down \$1 per hundred, partly because hides declined about \$4.

S. H. COWAN,  
Attorney for Texas Cattle Raisers' Association.

Mr. PAYNE. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. OLMSTED, Chairman of the Committee of

the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 1438, and had come to no resolution thereon.

SPEAKER PRO TEMPORE FOR THE EVENING SESSION.

The Speaker designated Mr. COLE as Speaker pro tempore for the evening session.

RECESS.

The SPEAKER. The hour of 6 o'clock having arrived, the House, under its previous order, will stand in recess until 8 o'clock p. m.

AFTER THE RECESS.

The recess having expired, at 8 p. m. the House was called to order by Mr. COLE, Speaker pro tempore.

THE TARIFF.

Mr. OLMSTED. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 1438, the tariff bill.

The motion was agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. OLMSTED in the chair.

The CHAIRMAN. The Chair will recognize the gentleman from Ohio [Mr. SHARP].

Mr. SHARP. Mr. Chairman, I have listened with deep interest to the many able addresses upon this important subject of the tariff during the past three or four days, and I but follow the precedent established in not a few of these speeches, but with no less personal sincerity, I trust, in congratulating the Committee on Ways and Means for the excellent work and the conscientious discrimination that it has put upon this important measure. I believe also that not only the thanks of this body, but of the entire Nation, is due to these men who met here hour after hour, day after day, through many weeks last fall and laboriously worked through this great tangled mass of evidence which we have at present before us, and I can not let the opportunity pass without taking occasion to specially comment upon the labors of the chairman, the gentleman from New York [Mr. PAYNE], and the minority leader, the gentleman from Missouri [Mr. CLARK], on this side of the House, who, not only in their work on the committee, but also in their most exhaustive speeches on the floor of the House, have done so much to explain in detail the important provisions of this bill.

Though differing from many of the conclusions arrived at by the chairman of the committee, I must, nevertheless, accord to him my sincere convictions that he has sought in his work on the Ways and Means Committee to weed out some of the more glaring defects of the Dingley Act, both as they affect the revenue feature as well as protective policy. I trust, also, that I am not one of those who, looking for so-called "jokers" in the provisions of a party measure, believe that any deception was intended to be practiced in framing the provisions of this bill. I had far rather accept the explanation of the gentleman from Missouri [Mr. CLARK], who stated in his speech the other day that the greatest harm in framing such a bill comes generally from a lack of knowledge of the kind of business which was to be affected by the tariff schedules. This can be readily appreciated when it is considered that men who, though of wide and varied experience in matters of legislation, have nevertheless of necessity a very limited knowledge of many branches of manufacture, even the significance of the more or less technical terms used by the manufacturer being not very well understood. It is for this reason that the utmost care should be used in having a thorough understanding and anticipate as far as possible the actual operation of a law that shall attempt to deal with these subjects.

I think, indeed, the millenium in so far as tariff discussion is concerned is near at hand when we can find so near an agreement upon so many of the essential questions involved in this important subject as we have had presented to us during the past week. Do I go too far when I say that if we could really take our positions upon the one side or the other according to our own honest belief, there would be formed among the seats of Members a veritable checkerboard, so mixed up and alternating would be the gentlemen on either side of the House—to such an extent, indeed, that one would imagine that it had almost ceased to be a party question.

The recent convention of the advocates of the National Tariff Commission at Indianapolis, which I had the pleasure to attend, well illustrated how leading men of both parties can divest themselves of partisan prejudice in discussing the tariff question when not hampered in expressing their convictions by having to conform to some obsolete or overstrained planks of a po-

litical platform. Composed of many prominent business men and manufacturers of all political parties, it would have been a very difficult matter in listening to these discussions to have selected a Democrat from a Republican, men holding high positions in the public service expressing views that, had they been announced from the platform of a political convention, would have been denounced as a form of heresy. It is worthy of remark, however, that in all these able discussions, participated in by men some of whom now occupy seats in this House, as well as the Senate, there was but one common note sounded, and that was for tariff reform and more equitable methods of distributing the heavy burden of tariff taxation. It has, indeed, been a great misfortune, it seems to me, during the past two decades or more that the tariff issue has been made a political one at all, because it rests purely upon business relations and should have nothing whatever to do with politics.

I congratulate many of the Members of the other side of the House, also, in their coming to see the light of truth even at this late day; and it does honor to themselves and their constituents that no longer the slogan of the party, "Stand pat," will control their convictions or their votes. I believe that had it not been made a party question we would have been free long ago from many of the abuses that have crept in from behind this high-tariff wall of protection.

Before I undertake to more fully discuss the issues involved in this question of tariff I want to pay tribute and sound my note of praise to that great soldier, the hero of Gettysburg's bloody field, Gen. Winfield Scott Hancock, when, as a candidate for the Presidency of the United States, now nearly thirty years ago, he said that the tariff was a local issue. [Applause.]

Why, Mr. Chairman, he was not only figuratively but actually laughed out of court by the opposition in those days. You know at that time the party in power had the happy faculty of making fun of some of the most serious charges that were made against them, and from the time that the tariff was declared to be a local issue by General Hancock and ridiculed by Garfield's followers—and, by the way, before President Garfield died he had declared himself in favor of that tariff system that would eventually lead to free trade—from that time down to the present the people of this country from time to time have been refreshed and regaled by some of these party cries, such as "Let well enough alone," "Stand pat," "The foreigner pays the duty," and "The tariff should be revised only by its friends." Well, indeed, it would have been a huge and monumental joke if the friends of the tariff had come before this committee and sought to reform it along the lines which they would lay down. We would have had a tariff reform with a vengeance if all these interests, actuated by varying degrees of selfishness, the pronounced friends of the protective tariff, had been given unlimited opportunity to write out the schedules of this tariff bill. It has been owing to the more selfish desires of the "friends of the tariff" to revise it, and too often their success in doing so, that has led to much of the abuse in collecting and distributing huge sums of money for corrupting the ballot in past campaigns. This has had the double effect of not only bribing the voter, but of putting the successful candidates under obligations to those interests which contributed the money. No independent and conscientious work on behalf of the people can come from officials thus compromised. It has been a common charge, too often proved, that in national as well as state elections majorities have been secured by the use of huge corruption funds furnished by the beneficiaries of high tariff protection. So we have many reasons, gentlemen of the minority, to congratulate ourselves that we have, for the first time in the history of American tariff legislation—at least for thirty years—a divided House not based on party lines.

The gentleman from Indiana [Mr. CRUMPACKER], Republican though he is, so well expressed my own views that I not only wish to congratulate him upon his splendid argument but to take the liberty to quote somewhat copiously from his speech, for I feel that when I get through you will all agree with me, gentlemen of the minority, that it is in many respects pretty near the lines of good, sound democracy. The difference between us is more as to degree of protection needed than to the principle involved. Among other things the gentleman said in his speech of yesterday:

There ought to be no unnecessary duties. Protective duties should not be unnecessarily high. When the Dingley law was enacted, the people of the United States felt little or no concern about monopoly or the suppression of competition on the part of great industrial combinations. The chief concern of the makers of that law was to fix protective duties high enough to take care of American industries under all conditions, with the view that in shutting out foreign competition healthy competition would be created at home. Since that time the problem of industrial combination has become a serious one in our affairs, and it is now as necessary to protect the people of this country against the imposition of trusts and monopolies at home as it is to protect legitimate industries from disastrous competition from abroad.

It is often charged that protective tariff creates trusts. Trusts are combinations growing out of the passion of avarice, and they are created to stifle competition and increase profits. Under this definition they are all bad and violate a wise public policy. When a trust becomes good, it is no longer a trust. All combinations are not trusts.

Now, here is the significant part of what he said:

Trusts exist in free-trade countries as well as in countries that maintain protective tariff. The chief difference is that in the free-trade country there is no tariff behind which a combination can find shelter in increasing prices unjustly and imposing upon the people, while in a protection country, if the tariff is higher than is necessary to cover the difference in cost of production, combinations may degenerate into trusts and raise the prices clear to the top of the protection law with entire safety. This illustrates the importance of keeping the duties down to a reasonable protective basis.

Further referring to our wonderful efficiency and power of invention, the gentleman says:

In addition to supplying our own markets with the products of the factory and the farm, we should seek markets abroad along the lines where our industries are capable of the greatest expansion. The natural resources of the United States in many lines are not excelled by any country in the world, and where machinery is a large factor in the production we are able to overcome the high price of labor and produce as cheaply as any foreign country. \* \* \* The consuming capacity of the United States is such as to justify—more than that, to require—the employment of the greatest amount of machinery possible. No other country in the civilized world has anything like as large an exclusive market as the American producer has. Production here is carried on upon such an enormous scale with the use of powerful machinery that the high rate of wages is more than compensated for in the increased productive capacity that labor is given. At the town of Gary, in the State of Indiana, the United States Steel Corporation has recently completed a rolling mill that is capable of turning out 40,000 tons of rails or structural steel a month. The operation of that mill requires only four men.

It will be noted that Gary is the new town created by the United States Steel Corporation; and it is worthy of notice, according to the statement of Mr. CRUMPACKER, how little is left for the employment of labor when, as he states, the operation of such a huge mill requires only four men.

Quoting further, he says:

Divided into shifts of eight hours each, it requires only 12 men to keep it running continuously. It is being operated day and night, week in and week out, month in and month out, upon the same type of steel, and there is a ready market in this country for every pound of steel produced at a good price. There is no such rolling mill in any other country of the civilized world. The immediate labor cost of rolling steel at the Gary mill does not exceed 20 cents a ton.

For which, by the way, I may observe that they are getting in the market for the product about \$1.50 for each cent thus expended in that particular labor cost, according to this statement:

No foreign country can establish and operate such a mill as that, because it does not have the market. A 5,000-ton order of steel rails or structural steel is a large order for an English rolling mill, and the change of model in rails and structural steel and the change of machinery from one order to another brings about loss of time at a serious cost; and while the wages paid laborers at the Gary mill are fully twice as high as they are in any other country, the labor cost of rolling in that mill is cheaper than in any mill in the world.

What the gentleman from Indiana [Mr. CRUMPACKER] has said of the efficiency of modern machinery and what he has told us of the extent of our home markets applies to almost every other line of manufacture in the United States. The necessity that formerly existed in this country to protect the manufacturers has largely disappeared, and a continuation of that policy as emphasized in the Payne bill is unjust, unfair, and burdensome to our people.

As an answer to the demand for tariff reform, we are told that our country has wonderfully prospered under the benign influence of high protection and that it has brought good wages to our workmen. That our country has made great advances within the past forty years I admit, but the same is true of free-trade England. With an extent of territory much larger than all of Europe, outside of Russia, with a variety and fertility of soil unequaled, with mines that hold almost every known mineral in abundance, and vast primeval forests of great value, our country has only awaited the toil of its people—the most progressive on earth—to take the lead in all fields of material development.

Our great rivers of the interior afford the means of the lowest cost of transportation to our agricultural and mineral products to the ocean points without breaking bulk, while the Great Lakes furnish a highway for the shipping tonnage greater than in any other territory of like extent in the world. It has been the boast of one great steel mill within my knowledge that it could produce steel rails from the iron ore taken the week before out of the mines a thousand miles distant. In like manner are transported at a minimum cost much of our grain, cotton, lumber, and coal.

If the panic of 1893 has been charged to the effects of the Wilson bill—though that law did not become operative for more than a year later—with far more truth can it be said that the high-tariff Dingley law could not prevent a panic. To my mind it has always been a great misfortune to the country that



In 1893 the usual cycle or period of time had again rolled around when conditions the world over were ripe for another serious business depression, as they have also been during the past eighteen months. Quick to take party advantage over such a misfortune falling under a Democratic administration, that party in the eyes of thousands of voters stood discredited in each succeeding campaign.

The beneficiaries under the high protective policy adroitly used the so-called Cleveland panic of 1893 as a terrible object lesson against Democratic success and tariff revision. And yet the present panic unfortunately lacks nothing of the distressing features of those times; the bread lines are as long in our cities; there are as many men out of employment; there is the same lack of business confidence; the failures throughout the country have been just as many and just as great. Can it be, after all, that we have been giving too much credit for our blessings to this false and fickle god of high protection?

When the Dingley bill was enacted into a law, it was claimed that home competition would answer all practical purposes for keeping prices down, but men were greedy then, as they are greedy now, and the fact of the matter is that the tariff was by that law placed so high upon our protected industries that no sooner were they entrenched behind this wall of protection from foreign competition than the forerunner of the modern trusts—gentlemen's agreements—was established. By means of such combinations the prices of the manufactured articles were gradually raised to a point just below what foreign goods of the same manufacture could be sold for in our markets. These concerns made large profits and declared big dividends. Coincident with the formation of these combinations, corporations with enormous capital stock, generally greatly watered, were formed. These stocks were listed and then, weighted down with an underlying load of bonds, were enabled, from the very large profits derived from the business, to pay satisfactory dividends. In a few years, enormous fortunes were made in these overprotected industries. Then came to their full development the trusts as we now recognize them, with a power and wealth far beyond the wildest dreams of the business world but a few years ago.

It is a fact too well known to be disputed that, in many instances, the comparatively great fortunes of only a dozen years ago have been since increased more than fourfold. I regret that I have not at hand any accurate information to prove my assertion, but I believe that I am within the bounds of truth when I express the belief that twenty years ago the percentage of those who owned half the entire wealth of the United States was four times greater than it is at the present time. Such a condition of affairs can not be healthy, and it is a complaint too often heard that such a policy has made the rich richer and the poor poorer. Why, then, continue for another term of years a system of taxation based on protective duties so high that these processes of concentration of wealth and power may continue to go on? Already the powers of the General Government are fully taxed by the heavy expenses to curb the powers of these great trusts. Shall we, then, continue to enrich them by overtaxing the great mass of consumers?

But it is not alone to our own territory that the power and scope of some of these trusts are limited, for they have already, so it would appear, become international in character. Shielded by the high protective tariff in their own country against outside competition, some of our manufacturers have been enabled to join world-wide trusts on the other side of the Atlantic.

I wish now to quote from the very interesting report of Mr. Charles M. Pepper, our own representative, the chosen agent of the Government of the United States, and to call your attention to his report upon the iron and steel industry in Germany, which was filed in the Department as late as month before last. Speaking of the syndication of the German iron and steel companies, Mr. Pepper said:

In the general syndication of iron and steel companies there are some economic tendencies and counter tendencies the result of which can not be anticipated. While the syndicate stoutly upholds the system as applied to their customers, they did not take the same view as applied to themselves. This was shown in the unwillingness of the large glass furnace and rolling mills to be at the mercy of the coal syndicate when they met the situation by buying coal mines of their own.

In striving for the international markets, the German iron and steel manufacturers are quite willing to expand the system of syndication. At the present time there are international syndicates in several products. The German coal and coke syndicates have an arrangement with the Belgian coke syndicate by which French territory is divided between them, and occasionally the syndicate in one country will sell to the other coke for delivery in France. Some of the international syndicates are little more than price conventions, while others relate to the partition of the territory. The intangible but potent international rail syndicate counts in Germany as a leading member. It is understood that the rail syndicate includes the American, British, German, French, Belgian, and Spanish mills. Under it Germany has spe-

cial privileges in the markets of Sweden, Norway, and Denmark. It also keeps out of the United States markets, while dividing with the mills of the United States and with Great Britain, France, and Belgium the South American territory.

The tube syndicate keeps it out of American territory in the sale of gas pipes, while under the rolled-wire syndicate a division of the territory is obtained. Under the tube syndicate a division of the territory is also obtained. Under the tube-syndicate arrangement the German works keep out of the French territory, in compensation for which the French leave Belgium, Switzerland, and Holland to Germany.

While favoring the principle of international syndicates, the German manufacturer, as a rule, is not willing to join them unless assured that the German industry obtains its full share of present markets without prejudice to further development.

You remember, when you were schoolboys, of reading in Julius Caesar's commentaries that "all Gaul is divided into three parts." I think that the modern successors of the ancient Gaul have gone very much further, because they have not only divided Gaul into three parts, but they have divided the commercial manufacturing business of the entire globe among them. [Applause on the Democratic side.] So I ask the question, in all candor and seriousness, of the other side of the House if, after all, some of these restrictive measures that we are trying to impose and provide for under this Payne tariff bill are going to meet the ends that are expected of them?

What has been accomplished in the international syndication of the iron and steel business is more than likely to follow in controlling the lumber trade, about which we have heard so many discussions during the past few days. I shall strongly favor and advocate putting lumber upon the free list, although I am not very hopeful of the promising effect we may get from it, because it is already known, as a matter of fact, that many big timber owners on this side of the line have already acquired vast holdings of timber on the Canadian side, and they are going to manifestly increase their holdings there the minute any free-lumber legislation is passed.

The same will be true in Mexico, to the south, because there also are immense timber tracts, some of which our own timber barons have already acquired. If they do that, Mr. Chairman, and control the situation in those countries as they do here, are they going to bring about any special competition in the prices at which we can get lumber? But I am willing to try the experiment, and I radically differ from some of the gentlemen, notably the gentleman from Michigan [Mr. FORDNEY] who, in his able speech of two hours the other day, extolled the protective tariff theory. In its praise he went beyond any limits I have ever before heard, and incidentally in the entire course of his speech scarcely referred at any time to the consumers—that vast army of men who are using lumber every day and attempting to build homes of their own. The same may be said of the speech of the gentleman from Washington [Mr. CUSHMAN], who likewise defended the tariff on lumber. He even went so far as to produce charts or diagrams and commenced a cross-examination and a joint debate with Members of his own party upon the relative merits, or shall I say demerits, of the protective duty on lumber over the protection accorded to the many and varied agricultural products of Nebraska. It was the old and familiar case of the "pot calling the kettle black" when he took the gentleman from Nebraska [Mr. KINKAID] to task for advocating free lumber. It was indeed an inspiring scene and presented an unusual opportunity for Members to get at the real unbiased opinion of what one Member of the opposition thought of the views of another when it came to asking protection for the products of his own particular locality. Figuratively speaking, in his threat, that if the tariff on lumber was taken off, its friends might retaliate upon members of his party who had brought it about by reducing the protection on their own favored interests, the gentleman from Washington [Mr. CUSHMAN] might well have said: "If you take our hand out of the consumer's right pocket, we will see that you are compelled to take your hand out of his left pocket." That is about the size of it. [Applause.]

Referring again to the merits of the tariff on lumber, although the gentleman from Michigan [Mr. FORDNEY], himself a large timber owner, stated, if I remember correctly, that there were about 26,000 saw and planing mills in the country, and that many of them might be seriously injured in their business or their profits greatly lessened if free trade on lumber was brought about, but he had little or nothing to say about the benefits that would accrue to ten times that number of men who desired to build homes every year in this broad country, and who have a just complaint if we should seek to place a tribute upon them for the exclusive and sole benefit of this comparatively small number of manufacturers in the lumber business. [Applause.] While he was frank enough to admit that if he could have the exclusive rights to a given business he would get as high a price as he could for all he sold, he was not successful in proving that, however natural this spirit

might be, it was right; and we are not representing our constituents in our different districts if we do not look after the smaller fellow, that his demands may be heard in shaping the provisions of this bill.

Mr. DIES. Will the gentleman allow me to ask him a question?

Mr. SHARP. Certainly.

Mr. DIES. If I understand the gentleman, he is in favor of placing lumber on the free list—

Mr. SHARP. I would do so.

Mr. DIES (continuing). For the purpose of building homes. If I understand the situation, it requires some window glass and some iron to fix the hinges, and would require some clothes for the backs of those who occupy these homes. Is the gentleman in favor of placing all these things on the free list?

Mr. SHARP. I am.

Mr. DIES. The whole business?

Mr. SHARP. I am in favor of the whole business. [Applause.] Perhaps there is no product concerning the tariff duties on which there has been a more earnest contention on the floor of this House than that of lumber. I may add with equal truth that no other schedule on the entire list covered by the Payne bill has so greatly interested the mass of the people. While admitting that it is a question upon which there are arguments more or less specious on both sides, yet I believe that if the relief is ever to come, not only for the consumer, but as an important aid in husbanding our forest reserves, the time for such a relief is now.

More than once in this discussion from the other side has been the question of the wisdom of appropriating large sums of money and enacting laws to reforest our barren lands in order to conserve our supplies for the future, when at the same time practically a premium is placed upon the destruction of our remaining supply of timber by imposing a protective duty upon it. The policy of more than one timber and lumber concern in this country in the past has been to preserve their own holdings as long as possible and buy from outsiders for their own use. The mere fact that such companies have in store a timber supply of their own, thus making them independent, causes them to get their outside supply at a lower cost. If this is good business for private concerns, is it not equally wise for our country when, before our timber supply is exhausted, we may be enabled to draw on the great reserves in Canada for our present needs? Surely the stumpage owners of this country can not justly complain at the removal of this duty when their holdings have increased in value on an average of more than 300 per cent in the past decade. I believe, too, that cheaper lumber will tend to greatly increase building operations, thus giving work to thousands of mechanics. It should greatly stimulate the real-estate business and more than ever make our country a people of home builders. While, as I have before stated, I must frankly confess that I am not so optimistic as to believe that these prices would be so materially lowered as some advocates of free lumber believe, because the big timber owners on this side of the line have already acquired large interests in the Canadian and Mexican forests, yet the moral effect of free lumber, aided by the importations from the smaller and independent timber holders in those countries, will prevent a further rise in lumber for many years to come.

What may be said in favor of modified duty on lumber may be repeated, in so far as applicable, in favor of free hides, from which so many articles of wearing apparel are manufactured. In this connection, and while discussing free raw materials, the gentleman from Alabama [Mr. UNDERWOOD] has correctly said that free raw material is in the nature of an additional protection to the manufacturer using such material. If, therefore, there is no compensatory reduction in the cost of the manufactured article to the consumer, the law would give but very little benefit from extending the free list. I believe this is the correct view to take, and I believe the duties now placed upon the articles manufactured from such free raw materials should be either correspondingly lowered or put upon the free list. What the overcharged consumer of this country needs most is low-priced building material, wearing apparel, and food products. I am emphatically in favor of any tariff legislation that shall bring about such results.

For this reason I believe the present bill is defective in trying to provide a revenue from duties levied on tea, coffee, sugar, fruits, and spices. Fortunately the voice of the people is being heard in protest against the imposition of this kind of tax, and it is my prediction that most, if not all, of these articles will be put on the free list before this measure becomes a law. Some of these food products, like spices, a daily necessity on the table of every family, have actually been taken from the free list in the Dingley law and put upon the protected in the Payne bill.

In the item of lemons, though of comparative insignificance, the protective duty has been increased by 25 per cent over that given by the Dingley Act. The principle involved in this additional amount of protection is typical of that often used in applying the protective theory—that of overtaxing the consumer that a home industry, by charging exorbitant prices to overcome natural obstacles, may be allowed to greatly thrive at his expense. It is known that for years past the California production of lemons has been only sufficient to supply about one-third of the demand—surely not a case of overproduction causing a losing business. The section of the country where these lemons are produced lies more than 2,500 miles away from the center of our population. In other words, a consignment of home-grown lemons, in order to reach the average consumer, must first travel this great distance by rail—indeed, in many cases where they reach the Atlantic seaboard they must be carried clear across the continent. Who pays the freight? Most certainly the consumers. Is it just that the people of this country who consume this fruit and outnumber the lemon growers as 1,000 to 1 should be so unjustly burdened in order that this industry shall so prosper? Would it not be far more just that only such a reasonable duty should be levied upon the imported fruit as to prevent it being brought into competition with the California product at the more interior points? Such a policy would permit the producer and the consumer to live and let live; it would allow home-grown fruit a fair degree of protection, at the same time affording reasonable competition in prices from the imported fruit. Surely, in the protection accorded this industry of lemon growing the American consumer, to indulge in the vernacular of the day, has been handed the biggest kind of a lemon of the most pronounced yellow hue. [Laughter and applause.]

Additional protection under the Payne bill to ladies' and children's gloves, amounting in some cases to an increase of fully 100 per cent, seems to me altogether wrong. It has been admitted on this floor by gentlemen on the other side of the House that in the way of making men's gloves we excel the world, and that to-day we manufacture nearly 90 per cent of all those used in this country. If this is true, it is difficult to see where the former duty in the Dingley Act, to say the least, was not sufficiently high to encourage and protect our home manufacturers of women's and children's gloves.

In advocating a substantial reduction in many of the duties imposed under the Payne bill—in other words, favoring a revision downward—I do not go and have never gone to the length of advocating free trade or, if you please, for the tariff for revenue only. I believe in a reasonable protective tariff in cases where home industries, until well established, need a protection against certain inequalities that may exist.

Mr. DIES. You say you want reasonable protection for your industries?

Mr. SHARP. I want protection for every industry until it is able to stand on its own feet. [Applause on the Republican side.]

Mr. DIES. I ask the gentleman not to forget the 5,000 boys who are rolling logs and stacking lumber down in my part of the country.

Mr. SHARP. I feel very much like the eloquent gentleman from Kentucky [Mr. JAMES], who said to-day in his speech that if we were to protect industries until they got to a point where they could stand on their own feet, still we do not feel like continuing that protection until they stood upon everybody else's feet. [Laughter.] I think the limitation is a wise one, for if there is anybody in this country so fortunate as not to have had some of those great protected industries standing upon his feet, I wish to congratulate him for his freedom. [Applause on the Democratic side.]

Inasmuch as it has been frequently claimed upon this floor within the past few days that good trusts will never raise the price beyond what is considered reasonable, I wish to take occasion, by way of illustration, to quote from a limited portion of the testimony of Mr. Gary before the Ways and Means Committee, to demonstrate how vague and uncertain is this standard of reasonable price:

Mr. CLARK. I understand you to say, and I know that Mr. Schwab said—of course I am not trying to play one against the other—that the railroads did not object to paying this price of \$28 per ton?

Mr. GARY. This is true of him—or it is probably true of him—because he sells his rails to the railroad companies whose tracks go by his mills and who get large sums of money from him in the way of freight.

Mr. CLARK. What would the railroads out in that part of the country say to that proposition in Missouri? Do they really want to pay \$28 per ton?

Mr. GARY. This is what they would say: If \$28 per ton is a fair price, taking everything into account, we will pay it, and if not we will do better if we can.

Mr. CLARK. But they can not.



Mr. GARY. They can if they can satisfy us that \$28 is too much on them. They can as far as our company is concerned.

Mr. CLARK. It would take a good deal of argumentation to do that, would it not?

Mr. GARY. Well, yes; of course. I have expressed my own opinion.

Mr. WEISSE. Did not Mr. Schwab say the railroads wanted a price of \$28?

Mr. SHARP. So you see that the price has been placed at \$28 a ton, and it has been kept there through thick and thin.

There has been much comment in the press of the country of late to the effect that, by the time the Senate got through with this bill, its own father could not recognize it. Let me express the hope, Mr. Chairman, that this House may so amend the defects in this bill as to get the credit for so doing before the country. Let us recognize the fact in time that, though the Government is very much in need of revenue, due in no small measure to past extravagances, yet there are better ways in which to provide this revenue than by taxing the necessities of life. Since it is no longer denied that the consumer pays the tax, let us so frame the provisions of this bill that no unjust proportion of the burden of that tax shall rest upon his shoulders. [Applause.]

Mr. NYE. Mr. Chairman, I hardly hope to add anything of value to this prolonged discussion. We are in council here as representatives of a great people and a great Nation, and while I believe in the efficiency, power, and potency of political organization, to my mind it is gratifying that so little partisanship displays itself in this debate.

I shall offer my unpretentious counsels at this time for whatever they may be worth. I am not going into great detail on schedules. I am going to offer a few general observations in criticism of this bill, for now is the time for us to do it, if at all.

I share with many other gentlemen who have spoken on the question in my appreciation of the patient labors and the able services of the great committee which has reported this bill. Every Member of the House is indebted to their long service and their faithful service—to the entire membership of that committee both Republican and Democratic. It may be before we shall conclude this discussion that we shall be led to believe that this committee has gone further and deeper into the subject than we who may criticize it have had an opportunity to do. Every criticism that I make I make in perfect good feeling, by way of suggestion, simply for what it may be worth.

Not only do I appreciate the services of this committee, but for myself personally I sympathize with them. They have seen human selfishness in its worst form. They have seen the very tooth and claw of human selfishness. Men of fortune and power have pleaded before them for their particular interest or their particular industry. Sectionalism, locality, special interests, and selfishness in every form have piteously plead before that committee for months, until it is a wonder to me the committee does not doubt the virtue of the human family itself.

I am glad to say, and I can say it freely, that I stand here as an advocate of no particular interest, and certainly the enemy of no legitimate industry. I am from the West. I represent a people who feel disappointed at this bill. They believed, from the professions made and the party platform adopted, that the country would have a radical reduction of tariff duties in the interest, generally speaking, of the consumer; and they feel that this bill does not come up fully to their expectation. [Applause on the Democratic side.]

I may be verdant, but I believe that even in politics we should practice such a degree, at least, of honesty as may be compatible with this wicked world in which we live, and that we should act in good faith.

I said over and over again that I fully and thoroughly believed in the promises made in the platform of this great party of liberty, of protection to American industry and American labor, and I felt that the great standard bearer of that party, who has come to the office better equipped, perhaps, than any man in our Nation, meant every word that he said as to a thorough revision of the tariff. Not a revision that it requires hairsplitting and close reasoning to discern, but a revision which the people would recognize at once as one that would be beneficial to the interests of the entire country. I give the committee the full benefit of every doubt. I am warranted in presuming that they understand better the general effect of this bill than I do.

From the discussion in the case, if I were to find from the evidence, I should say there is some preponderance of evidence on the side of the proposition that the bill is an improvement upon the present law as it now stands; but I want it so that the layman, so that the common mechanic and the common workman and the small tradesman and the farmer will feel and know that this is what the great platform promised, and will welcome it as a thorough revision in the interests of all the people of this country. [Applause.]

The subject underlying a discussion of this question is one which pertains to the general welfare of the American people. Among the powers granted to Congress are those of laying duties and imposts, collecting revenue, paying the debts of the country, providing for the common defense, and the general welfare of the United States; and I take it that the judiciary branch of our Government, speaking from the highest tribunal, has approved and sanctioned import duties that are laid along the lines of protection to American industries, on the ground that they are for the general welfare of the American people. I might take as a text for my remarks the general welfare of the United States; not section, not selfish personal interest, but a discussion and a determination of the question by men who shall, at least for the moment, rise above those selfish considerations and those sectional and special interests which may be back of them, to the general welfare of all. We have a great country and a great people, and whatever I may say to-night, I want to leave the impression of optimism and the impression of faith in this splendid Republic of ours—the grandest under God's blue sky. With a vast population of eighty-five or ninety millions of people, energetic, enterprising, inventive, progressive; with a vast and mighty industrial and business machinery, complicated and delicate, such that you can not injure it in one part without communicating the injury to all parts; with a vast and mighty wealth; with the most efficient labor in the world, we deal with a great and mighty question.

If we multiply idleness, we multiply want and misery and wretchedness, but if we touch with friendly and wise hand the springs of American industry, multiply production and keep the American hand and the American brain at work, we will have solved the problem, it seems to me, for the hour, and solved it well.

Mr. Chairman, I am a protectionist, born in the Republican party, of abolition stock; I have been reared in the school of protection, and I want in connection with whatever observations I may make on this bill, to refer to some of the arguments, old indeed, in order that we may consider how far the conditions of to-day make them effective and vital now. We have always believed, and I guess almost everybody is coming to believe, that so far as an industry is an infant industry, it is wise statesmanship to protect it. For my part I am glad that a great statesman and patriot like Henry Clay has lived and left the impress of his great mind upon the industries of this country. [Applause.] It was urged in the days of academic discussion upon this great question by those who favored free trade, that we should allow perfect freedom of exchange of commodities between the nations of the earth in the interests of the consumer, and that we lost nothing by purchasing abroad, and that the duty levied would naturally be an added burden to the consumer.

Friends of protection answered that perhaps a burden would result temporarily, but that it was their belief that when the industry was started natural competition would spring up and in a short time the price would fall below even that which obtained before the tariff duties were laid; and time and again in the history of this country has this prophecy and this theory been verified. To-day, while I do not claim everything for the protective theory, and while I do not claim everything for any political party, I believe that the stupendous wealth, the vast and diversified industries of our country, its prosperous condition on the whole, and its general advancement, have been largely due to a wise policy of protection to American industries and American labor. [Applause on the Republican side.] It was the thought, however, that the creation and establishment of the industries would by the processes of competition result in general benefit to the American people, and to-day I say that none of us can afford to be blind to the fact that by reason of the evolution in commerce and trade and business in this country, the vast and mighty combinations and trusts, competition has been suspended and almost wholly throttled, so that we are dealing with an entirely different condition and with new factors in the great industrial problem. It matters not whether you call them combinations or trusts. I am not making any violent tirade against trusts and combinations.

I believe it to be a natural evolution; I believe that if combinations and trusts were just and wise and humane, and if they shall be properly controlled and regulated by wise legislation, they may prove, and I believe will ultimately, beneficial to the great American people. If you could combine all the wealth and all the industries of the world, perhaps, under one head, and that head should be wise and just and humane and kindly to all men, I doubt not it would be a boon to the human family. Millions of the hungry would find bread; millions who were cold would find shelter. The evils are not in the combinations which result from the evolution of our day. Their general tendency to multiply the power of production, eliminate waste,

and narrow the margin of profits are beneficial. The evil is the same old evil, the enemy that has stood since the morning of creation in the pathway of human progress—selfishness, greed, and absolute recklessness as to the rights and the welfare of our fellow-men. This is the reason, and for this reason during our stage of advancement, and on our plane of civilization, it is of all things most essential that legislation control and regulate these vast combinations and trusts.

Some tell us there is no combination in this industry and that industry and the other. The distinguished gentleman from Michigan [Mr. FORBNEY], whose able and instructive address furnished enlightenment to all of us—I know it did to me—grew quite excited for a moment, and the House seemed to be in danger of quite a conflict for a time.

Hot blood leaped to the cheeks of men for a moment, for in the progress of debate some one dared to intimate that possibly somewhere in the great lumber industry there might be an organized interest, a combination of some kind or a trust, and the gentleman from Michigan resented it very much. Well, there is a good deal of unconscious humor going on in the world anyhow. If it was not true, why get mad about it. If it was true, he would have played the game a little better not to have gotten mad about it. [Applause.] For in spite of all, the denial, as to a combination if you notice, was not so much of a denial as it was a challenge to prove that a trust did exist. [Applause.]

Ah, there the gentleman has us. We can not accept the challenge. I can not. It has baffled the Government itself to prove the gentlemen's agreement or combine or trust or whatever you please to call it. The little farmer out West building a granary or a barn or a house can not explain what the trouble is; he can not demonstrate that there is a combination. The humble mechanic in my city and in your city and in all the cities seeking to build a shelter above his wife and children can not explain how he is met by exorbitant prices, but he somehow feels that between the lofty pine tree that God planted centuries ago in the forests and the little batch of lumber brought to his door, there is something that has burdened him sorely, and he does not care whether you call it a combination or a trust or what you call it. He feels that he is oppressed and wronged.

We feel sometimes in my city that between the coal that sleeps in the mines in Pennsylvania and the coal delivered to our bins that there is something; we do not know what it is; we can not explain it. The cost at the mines is almost insignificant, but when it is brought to that man's door and to my own door in my city it is \$8.75 or \$9 a ton. We do not care whether you call it a combine or a trust; we do not care whether it is the retailer or the miner or who it is; we feel there is something wrong somewhere and we will not split hairs with anybody. If we had honesty in business, if we had good measurement and good weights and a sound dealing between man and man we would not have to rack our brains very much over this proposition of tariff. The great sugar trust, handling a commodity whose profits have reached colossal proportions, was not content with these profits, but entered the domain of crime, and now stands convicted of stealing outright from the Government of the United States in weights. I tell you, gentlemen, as a Republican, this great question of combines and trusts and dishonesty in business of to-day makes the mere matter of a little change, whether it protects or not, but dust in the balance compared with the question of sound and honest business principles. [Applause.] So I say that while the theory of protection to infant industries was correct, while it was in a sense creative, while it was the impoverishment of no other nation, but added to the sum total of the Nation's wealth, and while it has tended to produce our diversified industries and make us a country that is the wonder of the world in a half century's growth and development, still we must face the proposition that with the commercial and business conditions such as they are to-day it is not so much a question of a high tariff as it is a question of dealing with these other conditions.

I believe in protection. I shall stand for it, probably support this bill, but I believe we can make some changes in it which will be beneficial and which will make the bill as it ought to be, so that you and I and all of us can go home to our people and say, "We promised you bread; we have not given you a stone." The general welfare means everybody, and the general welfare means perhaps in the industrial world, first of all and the most important of all, the workingmen. Protection was advocated for the workingmen. I believe it was right, and I believe it is right to-day. I do not want to indulge in any cheap talk about labor. I believe that there is an idea at the bottom of this Government. It sprang from an idea. We have generally said that that idea is freedom. Perhaps that is correct, but if I were to attempt to be more specific I would say that it was

founded upon the idea of the infinite possibilities of the individual man in America, high and low, rich and poor. Thank God the idea of this Government and of our fathers was that here in this country men could start at the very bottom round of the ladder and climb to the top—the development of the individual man—and I believe it. I believe this is the idea at the bottom of the American Nation. This is the general welfare of the American public. The same infinite power and infinite mind that clothes the grass of the field, that paints the lily and the rose, that lifts from the slimy ooze of the pond the immaculate lily that spreads its white hands to heaven, the same infinite God beckons man from the cabin, from the cottage, the wilderness, the shadows of oppression and bondage, up into the glorious liberty of the sons of man. [Applause.]

A nation of but one employment, of but one industry, is always a poor nation, always the slave of other nations; no matter what employment, if it be the most noble, perhaps agriculture, at the same time the mere producer of raw material for the improvement and manufacture of other nations, that nation will always be a slave. Not only that, but there will be a dead level of intelligence. The diversified employments of men, the mills and the factories where the inventive genius of men is quickened and thought is aroused and there is intellectual life and enterprise, that is the nation that will tower above the nation which produces raw material and lives to support other nations.

And while, as I say, I believe in this great policy of statesmanship in the past, and believe it a great factor in our immense growth and development, I still feel we must deal with present conditions and not unduly exaggerate the importance of merely protective duties. And even here again the workingman says, "Do I get this protection? Do I get the full benefit of this theory?" Sometimes truth is better felt than understood. It is not always the wise and prudent who discern the truth. Sometimes this marvelous thing we call "truth" is revealed unto babes, and it is not the arrogant and the learned, but it is the humblest, poorest, and it may be the most unlettered citizen of the land, who best understands it.

And these men tell us that because of commercial and business conditions there is not so much virtue in mere protection as there was twenty-five or fifty years ago. I am calling to the attention of you gentlemen the fact that you have got to go face to face to your people in your districts and in your regions and convince them that this law is a substantial improvement on the present law. [Applause on the Democratic side.]

The gentleman from Ohio [Mr. LONGWORTH] frankly and ingeniously admitted in his speech that he understood the declarations in our platform to mean a reduction downward and not upward, and so did all of us understand it. [Applause on the Democratic side.] So President Taft believed, and so he believes to-day. Are we getting it? Let us have a law that a wayfaring man, though a fool, may not err therein and may know that the promise was not a hollow pretense, but it was because we meant it.

As I said, I am not representing any particular industry. I come from a city that I think is a great city, the child of half a century, with about 300,000 population. Its two great arms of industry have been flour and lumber. If I were speaking to-day as some Members speak in this House, I would be contending here for a high tariff on lumber. But I believe the great masses of people in the country, and even in my own district, believe that where the profit of an industry has reached enormous proportions, such as lumber, it is a hollow mockery to talk about further protection to that commodity. [Applause.]

The bill is disappointing to these people. We may as well face it now as any time. We can remedy it. A few changes may place it where all men will admit that it is an improvement along the line of what the people want in this country. I know sometimes there is a weakness, and I may be accused of it—of pandering to what is called "popular clamor." I do not want to do this. But when a sentiment has grown in a series of years in a great country like this, reason teaches us that there is something at the bottom of it that is sustained by reason and common sense. This sentiment, expressed throughout the entire year of 1908, on the hustings and at every political meeting that I know anything about, sprang from that honest feeling of the American people which no sophistry, no finespun argument can do away with. Let us go at it and make the improvements that we ought to make in the bill. I notice the title of the bill is "A bill to provide revenue." Notice the order. "To provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes." That theory is right—to suit and to fit the conditions of the day. It is that order: Revenue first.



Mr. DIES. I would like to ask the gentleman a question, if he has no objection.

Mr. NYE. Very well.

Mr. DIES. I understand the gentleman wants to place lumber upon the free list?

Mr. NYE. It is my belief—

Mr. DIES. The question is this: Does the gentleman think that a roller or lumber stacker at the mill, with everything from the hat on his head to the shoes on his feet protected by a high-protective tariff, should find his own lumber on the free list, or does the gentleman propose to put it on the free list?

Mr. NYE. I had not made any announcement particularly. Of course, the gentleman rightly infers the tendency of my statement.

Mr. DIES. I will await the gentleman's announcement.

Mr. NYE. My own judgment is that where the profits of an industry to the manufacturer are so enormous, if he can not afford out of the vast products of that labor to pay and pay generously every man and every hand that contributes to it, he must be a mean man. [Applause.]

Mr. DIES. Then, if I understand the gentleman, he would place the products of steel and iron, glass, sugar, lumber, and all the leading articles of this country on the free list, because they ought to be able to pay their employees? Is that the position of the gentleman?

Mr. NYE. Not exactly that; nor have I said so. My position generally is that where an industry has grown so powerful and its profits so enormous, it is idle to talk about protection for the benefit of the laboring man or for the general welfare. In this connection permit me, just by way of illustration and answer, giving my point on this proposition, to read two short paragraphs from the testimony of Mr. Carnegie in regard to the steel and iron industry. He said:

Just as the Republic has won supremacy in steel and can to-day, even during this temporary world-wide depression, send it profitably to every free market in the world in successful competition with all other manufacturers, so is she to win this proud position in one field of industry after another, her enormous standardized home market being one of the chief elements of her conquering power. Many foreign luxuries will still be imported, but these should yield revenue paid by the rich consumer.

This is from his magazine article:

The writer is confident that this prophecy will soon be fulfilled, for nothing can keep the Republic from speedily dwarfing all other nations industrially, if she only frowns upon great navies and increased armies and continues to tread the paths of peace, following the truly American policy of the fathers.

I am glad he puts in that last, so far as I am concerned. I rather enjoy it.

Mr. EDWARDS of Kentucky. Will the gentleman yield to a question?

Mr. NYE. Yes.

Mr. EDWARDS of Kentucky. You have stated that the two chief industries of your city are flour and lumber.

Mr. NYE. Yes; though lumber is not so much as it was.

Mr. EDWARDS of Kentucky. And you have indicated that you would favor free lumber. Now, I would like to ask you if you would favor free flour and free wheat?

Mr. NYE. No; I do not favor free wheat. [Laughter.]

Mr. DIES. How do you expect our fellows who stick for lumber to eat your wheat if you put lumber on the free list and do not put flour there?

Mr. NYE. Well, I am not aware that the flour industry is so profitable as the lumber industry, and a different rule entirely applies, because in the lumber industry you have a limited product; not an annual crop. In the flour industry it is to the interest of the American people to grind as much wheat, whether it be grown in this country, Canada, or any other country, and ship it in the shape of flour rather than wheat.

Mr. DIES. Our laborers in the mills have not a limited appetite, though they may have a limited pocket.

Mr. NYE. Oh, I am not sure that laborers would not be better off if they did have a more limited appetite.

Mr. ENGLEBRIGHT. Will the gentleman yield to me?

Mr. NYE. Yes.

Mr. ENGLEBRIGHT. I understand you come from the town of Minneapolis, a town of 300,000.

Mr. NYE. I am sorry to hear you call it a town. [Laughter and applause.]

Mr. ENGLEBRIGHT. Naturally a city of 300,000 represents a great deal of wealth. If I understand it, the business of that city has grown up through the lumber and the flour industries.

Mr. NYE. Very largely; I do not mean to say wholly.

Mr. ENGLEBRIGHT. Will the gentleman kindly explain which industry that city made its money out of?

Mr. NYE. It would only be a guess; much wealth has been made, no doubt, from both. I am glad of it. I like to see every industry prosper, and I would not do an injury to any industry. I have not stated in terms that I am for absolutely free lumber. I have said that I failed to see how men on this floor, having shown an industry with such great profits, with prices trebling and quadrupling almost in a decade, should clamor for this great protection. [Loud applause.]

Mr. EDWARDS of Kentucky. Will the gentleman yield?

Mr. NYE. Certainly.

Mr. EDWARDS of Kentucky. The gentleman does not mean to make the statement that the prices of lumber have trebled and quadrupled in the last decade?

Mr. LANGLEY. If he does, I wish he would state the basis of the assertion. Will the gentleman put the authority upon which he bases that statement in the Record?

Mr. NYE. Well, I can come pretty near to giving the best evidence of it. A little over ten years ago, repairing my house in Minneapolis, I paid \$9 a thousand feet for lumber that was better than the lumber I paid \$27 a thousand feet for two years ago this spring. [Loud applause.]

Mr. EDWARDS of Kentucky. Now, Mr. Chairman, if the gentleman will pardon me, I will state to him that the great flouring mills of his city have established branch mills down at Louisville, Ky., and that the people of my district who produce lumber and coal and buy their flour believe that his people are maintaining the greatest trust in this country, and that is the flour trust. I will say to him further that if he will send down into my country, I will give him a bond that he can buy ordinary lumber at less than 50 per cent advance on what it cost us fifteen years ago on cars at the mill. [Applause.] I put that statement against the gentleman's statement that lumber has trebled and quadrupled in a decade.

Mr. NYE. I am not familiar with the very recent prices of lumber, but I do know that I stated the facts in my own experience. Whether it was a local condition or not, I do not know. I do not think it was altogether. I think that if you go back to November, 1907, and take the ten years preceding, my statement will be fully verified by the history of the country.

Mr. SMITH of Michigan. Did not you purchase that lumber at \$9 a thousand under a Democratic administration?

Mr. WEISSE. Twelve years ago you could buy the finest quartered oak at \$30 to \$45 a thousand, select. To-day you can not buy it for less than \$150 a thousand—the same lumber. White, soft pine sold twelve years ago at \$18 per thousand, for tanks, and you can not buy it to-day for less than \$72 a thousand, and I have bought them both myself and paid the bills.

Mr. LANGLEY. And I would like to see it higher than that. I believe in high prices, including the wages of labor.

Mr. ENGLEBRIGHT. Would the gentleman like to make a contract for the purchase of lumber at those prices?

Mr. NYE. No; I am not making any contracts.

Mr. ENGLEBRIGHT. If the gentleman would like to make a contract at those prices, he can be accommodated.

Mr. WEISSE. You are not buying California lumber, but Wisconsin white pine and Wisconsin oak, that you can not raise in California.

Mr. HUGHES of West Virginia. You can buy, in West Virginia, for less than half that price, a good deal better oak than they ever had in Wisconsin. The figures which the gentleman gives have no foundation in the price lists.

The CHAIRMAN. The gentleman from Minnesota is entitled to the floor. [Laughter.]

Mr. NYE. I had begun to doubt the statement of the chairman, but I guess it is true. I am glad to have a little object lesson of sectionalism here.

Mr. WEISSE. It appears that the gentleman from West Virginia questions my statement. I can prove it to him and present the bills, if necessary.

Mr. HUGHES of West Virginia. I do not see why the gentleman desired to buy the lumber in Wisconsin when he could buy it for half the prices that he mentions in West Virginia. I know the gentleman can buy just as good white oak as they have any place for less than half the price mentioned, and he will have to show me the statements before I will believe them.

Mr. WEISSE. I will produce them for the gentleman's benefit, if necessary.

The CHAIRMAN. The gentleman from Minnesota [Mr. NYE] has the floor.

Mr. DIES. Before the gentleman leaves the lumber question—

Mr. NYE. I left the lumber question some time ago. [Laughter.]

Mr. DIES. I wanted to ask the gentleman if it is not a fact that you cut down your trees in Minnesota and saw them into lumber and sold them to us in a high-tariff market, and if what you want now is a free market in which to buy your lumber?

Mr. NYE. The men for whom I am speaking do not want that by any means. We have been cutting our forests; and since you have spoken of that I want to say that this argument about the necessity of high protection of lumber in order not to use the poorer lumber here in this country seems to me to be far from verified by the facts. I have observed for years the logs in the booms, and my observation has been that they have been cut pretty close. I do not believe they have left anything in the woods but the limbs for years. Yet the argument seems to be that if we do not have protection the lumberman is obliged to cut his poor lumber. That is, as I understand it. He is doing it now and has been for years.

Mr. SMITH of Michigan. Before the gentleman concludes his remarks, will he point out specifically just what changes he would like to have made in the bill, and why?

Mr. NYE. I prefer not to. The gentleman does not want to listen to me all night. [Laughter.]

Mr. SMITH of Michigan. No. I have enjoyed the gentleman's speech very much, but I should like something more specific. When the gentleman says he would like to have changes made, I should like to know what the changes are that he wants.

Mr. LANGLEY. Do you want high prices or low prices?

Mr. NYE. The changes, generally, that I would make are in the interest of the American consumer and a revision downward every time.

Mr. SMITH of Michigan. Now, will the gentleman point out the changes and how the result he desires is to be accomplished? I am asking this in all good faith.

Mr. NYE. I am aware of that.

Mr. SMITH of Michigan. I have heard a great deal about revising downward and taking care of the consumer and all that. Now, let us see how it can be done.

Mr. NYE. I stated at the outset that I was not going into details as to schedules.

Mr. BURNETT. Suppose you strike out all after the enacting clause?

Mr. SMITH of Michigan. And go back to the Dingley bill.

Mr. LANGLEY. Would not that bill be better than this one?

Mr. NYE. That is a close question. I am going to give this bill the benefit of the doubt, but I will admit it is a pretty close question after all. [Laughter.]

Mr. SIMS. Would it not be a good idea to put Michigan salt on the free list, as one amendment to the bill?

Mr. NYE. Now, Mr. Chairman, I see that the time I was expected to occupy has expired. I did not intend to any more than generalize as to this bill and to give my general views and observations as to what we should do. I have tried to divest the subject of all sectionalism and all partisanship and submit a few observations for what they are worth and such weight as they are entitled to.

The great industries of this country I would promote and foster, but back of that I would remember that this is a government of American homes, that this Nation may be likened to a tree; the trunk is the home, the roots may run down into the soil of self-denial and virtue; the three main branches may be the schoolhouse, the ballot box, and the church; the foliage, intelligence, patriotism, and religion; and the final fruit to the ideal patriot of this country will be peace, plenty, and prosperity. [Applause.]

But above all in this representative government, do not treat lightly or triflingly the sentiment which springs from the great common heart of America, and which may be proven to be wiser than the theories and arguments of men on this floor. Let us make the necessary and wise changes in this bill along the lines that I have indicated. Make it, first, a means of revenue; second, equalize the duties; third, encourage industries; and, fourth, such other provisions as are in this bill and incident to it.

That is my view. Let us do it. Let us make the bill as good as the title. Then we can go back and say to our people, "This is a law in the interest of American industries and American labor, and it is for the permanent welfare of all the people from ocean to ocean and from the Lakes to the Gulf." [Applause.]

Mr. Sisson. Mr. Chairman and gentlemen of the committee, I desire to congratulate the gentleman from Minnesota [Mr. Nye] upon his magnificent presentation of this question, and I also desire to thank him for the nonpartisan and nonsectional way in which he discussed this all-important question.

It is a coincidence that the first time I address this body I should follow the distinguished Member from that great State, and that while he was raised in one school of political thought, I, hailing from the other side of this great Union of States, was raised in a totally different school of thought, and yet the difference between the distinguished gentleman from Minnesota and myself, in the views we each entertain on this great question, is just about the difference between "tweedle dee" and "tweedle dum." [Laughter and applause.]

When the distinguished Member asserts that he believes in a tariff for protection I differ from him as widely as the Constitution warrants me in doing, and that is as widely as we are separated geographically. I maintain that there is not one line, word, or syllable even in our Federal Constitution, which we have all sworn to support, that warrants this Government in levying one dollar's tariff for protection, but the only authority given Congress to levy customs duty is for the purpose of raising revenue, and revenue alone. [Applause on the Democratic side.]

Whatever of incidental protection may come to our industries out of that, whatever benefits may accrue by virtue of that tariff, which, by the way, is a tax and a necessary evil and one of the incidents of government, I have no objection to; and I believe that all revenue ought to be raised so as to place the least possible burden upon the American consumer, and at the same time contribute as much protection to honest and legitimate American industries as is consistent with public good.

I therefore differ with the gentlemen when they cry for protection as a principle, and contend that it is a mere incident to the tariff and should not be the cause of any tariff.

I maintain with all the vigor of my soul that Mr. Walker was right when he said:

Place your revenue, first, upon the luxuries of life, and if that does not raise enough revenue, then, second, upon the comforts of life, and if that does not raise enough revenue, then, in dire straits, the Government would be permitted to tax the necessities of life.

That is, I believe in taxing riches, and not poverty, to run this Government. [Applause on the Democratic side.]

Gentlemen of the House, when those on the other side of this Chamber assert with great vehemence and vigor that the present Dingley bill is a good tariff law and that this Dingley law brought about all of the prosperity which this country has enjoyed in the past decade, I desire to call the attention of the Members of this House to the fact that it is passing strange for such contention to be made by the party in power, for this same prosperity, during the same period of time, was with England and Germany and France and throughout the whole world.

Republicans claim everything, but surely they will not have the effrontery to attribute all this prosperity outside of the United States to the Dingley law.

In the contention that the Dingley law brought all our blessings for the last ten years, they lose sight also of another proposition that comes into this economic situation.

In 1896 there was in circulation only \$22 per capita, and the Democratic party contended then that there would be universal good times if we would increase our per capita circulation.

That contention has been verified, for as soon as gold was discovered in Alaska and the new processes of extracting it from its ore were discovered, and our circulation began to increase, our prosperity increased, and in 1897 our per capita circulation reached \$33 per capita. This increase, of course, caused a necessary rise in prices and this would have been true had there never been a Dingley tariff bill. In free-trade England they saw the same corresponding rise in prices.

But, gentlemen of the House, I will not inflict upon you any further academic discussion of this great question. I want to give you some facts, some concrete and startling facts and figures, which show conclusively that the Dingley law has robbed the great farming and unprotected consumers, who constitute the great bulk of our population, and poured untold millions into the pockets of trusts, combines, and protected American industries, and that it has not protected American labor. Then, if I show that the Dingley law is bad, it follows as the night the day that the Payne bill is worse and will make more havoc, cause more poverty, and foster more trusts and more illegal organizations of capital under the form of law, and extract more from the pockets of the already exhausted consumer.

Now, if this bill is a good bill, one of two propositions must be true. It must either raise a large revenue to be in proportion to the vast protection afforded under it, or it must protect with reasonable equality each and every man who labors under the folds of the American flag. If it does neither of these things, then the bill is bad.

If the amount of revenue is small in proportion to the protection furnished, or if the American laborer is not benefited in



each section of the Union alike, or is not protected at all, then the bill should fail of passage. If the difference which the American consumer pays for goods here in this market and what he could buy goods for in the foreign market goes into the National Treasury to defray the expenses of the Government economically administered, or if it goes into the pockets of American labor, burdensome as it is, the millions of patriotic consumers would not be heard complaining, nor would they complain if they knew that the American laborer got the difference with which to buy food, clothes, and the necessities of life and to educate his children.

This is exactly what the Republican party has told him has been happening. But in the last campaign they were compelled to change their tune.

A great deficit in the National Treasury stares our American people in the face, and that under the Dingley law. Poverty, want, and hunger, with their long and bony fingers, are claiming their victims by the thousands. "What shall we do to be saved?" Here is what you said:

The Dingley bill does not raise enough revenue. It was good. It is bad now. Elect us again, and we will revise the tariff. We will give a great revision of the tariff downward.

The press teemed with it. It echoed from every stump almost upon which a Republican spoke last fall. You were compelled when before the people then to make the promise, and the gentleman from Minnesota [Mr. NYE], Republican as he is, and hard as it is for Republicans to remember anything that they say before the election, especially on the floor of Congress, has just stated—and it is the truth, and you Republicans know it—that you promised to give the American people a material reduction and a real revision of the tariff downward. [Applause on the Democratic side.]

The gentleman from Minnesota [Mr. NYE] is right. Many of you gentlemen would not be occupying your seats to-day in this body if you had not followed the leadership of Mr. Taft, and promised your people at home that you would not deceive them this time; that you had "hollered" wolf repeatedly before, but that this was the real thing now. [Applause and laughter on the Democratic side.]

But when you take into consideration the fact that the Dingley tariff bill did get a great amount of revenue, the question may be asked why it was that the Republican party in the last election was compelled before the American people to pledge themselves, as the gentleman from Minnesota [Mr. NYE] has just stated, to give the American people a material reduction and a real revision of the tariff? It was because there is too much protection under the Dingley bill, and you know it. [Applause on the Democratic side.]

And the American people are watching the Republican party to-day, and if you pass the Payne bill as it is now written you will find that the American people will say to you, "We have weighed you in the balance and you have been found wanting; you promised us that you would give that relief that we have asked, and you have denied it to us."

#### WOOLEN GOODS.

Mr. Chairman, the Dingley tariff bill, as I view this whole schedule, is an infinitely better bill than the Payne bill, and if this bill becomes operative, just as it is written, then, indeed, gentlemen of the committee, the charge might be made that the orthography of the gentleman's ancestors was bad, and he ought to have written in front of the bill, not P-a-y-n-e, but P-a-i-n, because that bill will destroy many of the chances of these Republicans to come back to this House. The P-a-i-n bill does not fulfill your pledge to the American people.

It is contended by the ultraprotectionists that under the Dingley tariff law the American laborer was protected.

I am going to demonstrate by these figures—and they are taken from the report of the manufactures of the United States in 1905—that that is not true. I am going to call attention to the most wicked schedule in this whole bill, that of woollen manufactures.

There was produced in the United States in 1905—and you may add about 10 per cent for the production in 1908, though for the purpose of this discussion I have taken the figures of 1905—there was produced in the United States in 1905, \$767,210,990 worth of manufactures of wool. The exports were \$1,786,240, leaving for home consumption \$765,424,750.

Let us see what the margin of protection is under this schedule.

The average, or approximately the average, schedule under the Dingley bill was 90 per cent. Therefore, in order that you may ascertain what protection was offered to the American manufacturer of woollen goods, it is necessary to ascertain what the value of woollen goods would be in the foreign market on this basis of protection, and we find that the \$767,210,990

worth of wool manufactured, if that margin of protection is correct, would have cost in the foreign market only \$404,651,368.

Mr. COLE. Will the gentleman yield?

Mr. SISSON. Certainly.

Mr. COLE. In referring to the statistics from the governmental bureau, it indicates manufactures of wool, value of products, \$330,000,000 and odd, instead of \$767,000,000 and odd, as the gentleman gives. From what authority does the gentleman quote?

Mr. SISSON. The gentleman is quoting only one class of manufactures in this class, and I include the whole wool schedule.

I include in this all of the wool, except raw wool, that comes from the sheep's back, because you protect every particle of wool that comes into this country, whether scoured or washed or yarned, and in estimating the value I have not confined it particularly to the value of the yarn, but to the whole woollen schedule as it comes from the different sources. [Applause on the Democratic side.]

Mr. COLE. Mr. Chairman, do I understand the gentleman to say that that is the value of woollen manufactures, or the amount of wool consumed in the United States?

Mr. SISSON. It is the value of all the woollen manufactures, as I stated a moment ago, taking the wool that is imported into the United States, that is raised in the United States, and the total amount of all character of manufactures, and the protection is offered to the whole wool schedule and not alone to the items the gentleman has there.

Now, then, if you take these figures—and whether these figures are absolutely correct or not, they are approximately correct, and will illustrate the principle—it leaves you a margin of protection on woollen manufactures of \$362,569,622.

Suppose, if you please, that the American laborer gets just twice the wages that the foreign laborer gets, and in this I shall estimate the wages in Germany and in England and in countries of that character. I find that the labor was only paid \$135,069,063 to manufacture all of these woollen manufactures manufactured in the United States.

If we pay American labor twice what was paid foreign labor, it is fair that we should deduct from the margin of protection the difference in wage at home and abroad.

One-half of that wage is \$67,534,000 and odd, and if you will take that from the margin of protection you will find that we have a margin of protection over and above what it costs to manufacture these goods in the foreign markets, provided your schedule is correct, of \$295,023,091.17.

To state the proposition in another way: If the American consumer could buy his woollen goods in the open market, he would save each year \$295,000,000.

Now, mark you, not one dollar of this goes into the Treasury of the United States to pay the expenses of this Government. No; not one penny. Every dollar of this goes into the pockets of the various woollen manufacturers. They are permitted, under this most infamous of all the tariff schedules, to rob the American consumer annually of something like \$295,000,000.

How can the farmers, mechanics, carpenters, clerks, working girls, and all the army of poor that labor for a livelihood, longer bear the burden?

Why should they be compelled to longer pay this tribute to woollen manufacturers?

In the cold and freezing winter, you Republicans require the poor farmer, miner, and carpenter to pay twice as much for his woollen goods as he would have to pay in the open market. Is it right? Is it not simply robbery of one class, the poor, for the other, the rich?

I am not ashamed here and now, although you may denounce me as a demagogue, to come and plead the cause of the poor American consumer.

I am not afraid to be put down on the side of Jefferson and Jackson, and as long as I shall be a Member of this body I shall always be found doing battle for the man who toils.

Mr. HUMPHREYS of Mississippi. I would like to ask the gentleman, Does this \$242,000,000 go into the Treasury of the United States?

Mr. SISSON. It does not. I will illustrate that in just a moment.

Now, let us see whether this is a revenue schedule or whether it is simply for the purpose of requiring the American consumer to continue to fill the capacious pocket of the greedy manufacturer, who gets twice as much for his goods as does the manufacturer abroad.

Every time we buy \$1 worth of foreign goods we purchase \$34 worth from our home manufacturers. That is, notwithstanding he is willing to sell at half what our home manufacturers are willing to sell at, he can only sell \$1 to our \$34.

Now, to answer my friend and colleague from Mississippi [Mr. HUMPHREYS].

Every time \$1 is paid into the National Treasury under this woolen schedule from woolen imports, \$14.40, clean, clear-cut profit over and above a legitimate foreign profit, over and above costs of American labor, and over and above freight charges across the Atlantic, goes into the pockets of the manufacturer of woolen goods. [Applause on the Democratic side.]

This does not end the tale of woe and robbery. They are not through skinning the American consumer yet on this wicked woolen schedule. They must lash the farmer's back some more.

If our wholesale merchant, as was well illustrated by my distinguished colleague from Arkansas [Mr. MACON] on this floor the other day, is compelled to calculate his profit upon the cost of the goods to him, and the retailer calculates the per cent of profit on cost to him, so when each, the wholesale merchant and the retail merchant, is compelled in this protected market on woolen goods to pay \$2 for a wool hat instead of \$1, and he wants to make 20 per cent, he calculates 20 per cent of \$2 equals 40 cents—\$2.40 is the price of the hat instead of \$1.20. Then the retail merchant wants 10 per cent for carriage and 25 per cent profit for cash, and the \$1 wool hat in the English wholesale market has grown so that when the hat reaches a Mississippi farmer the cost to him has advanced 324 per cent.

#### INDUSTRIAL SLAVERY.

This condition is rapidly bringing about a complete system of industrial slavery. It has been the boast of the Republican party that it is the party of freedom. It boasts that it struck the shackles from four millions of black limbs. But what are you doing now under your infamous scheme of protective tariff? You are binding and welding the shackles upon the limbs of millions of white American laborers.

Every jewel that sparkles to adorn the persons of the rich is the crystallization of the sweat from the brow of labor; every luxury and comfort which we enjoy is the product of some laborer's brawn. All the brick and mortar and marble that rises, a dream of beauty and grandeur on the face of this earth, is a mighty monument to the laboring man's patience and toil. All the mighty fortunes with which you Republicans corrupt the electorate of this country, you have wrung from the millions of laborers, toilers, and farmers. But your greed and selfishness is "like the scent of the bloodhound, when once he laps blood he never bolts the track," and my colleague from Kentucky [Mr. JAMES] was right this morning when he so eloquently said, "There has been no man on the other side of this Chamber who has ever plead the cause of the American consumer on the floor of this House." [Applause on the Democratic side.]

The reason is, these Republican manufacturers and trusts have for years been lapping the lifeblood of the American consumer, and they will never bolt the track. Like the bloodhound, anyone who tries to stand between them and their prey, they would destroy. They call him "demagogue;" they misrepresent him in a subsidized press; and it is an unequal contest, because they have erected so many engines of destruction to hurl him to political ruin.

But I want again to refer to this wicked woolen schedule. This bill in its title says that it is to raise revenue. This is a farce when we examine the small imports under this bill as compared to the American consumption. The Government does not, as I have shown, get a dollar from the home manufacturer. It gets its revenue on the import.

In 1907 the imports of woolen manufacturers was \$22,047,740, and the duty paid was only \$19,847,018. The value of the goods in the foreign market was \$22,047,740, for which Americans paid, after they were imported, \$41,894,758. That is to say, that while the Government got \$19,847,018 in revenue, the American manufacturers got approximately \$295,033,091 over and above what was a legitimate profit to the foreign manufacturer.

How can a Republican look an American in the face, especially if he is wearing a wool hat? If he can, it is the highest evidence that he has sinned against the Holy Ghost and is beyond redemption.

#### MEN'S CLOTHING.

I will not weary you with going over in detail the schedule on men's clothing at this late hour at night, but will simply call your attention to its wickedness.

In 1905 there was manufactured in the United States \$355,796,571 worth of men's clothing. There were no exports, and, of course, all this clothing was consumed at home. The duty on men's clothing averages 82 per cent, and the margin of protection on the whole is \$170,303,939. Now, if you allow twice as much for home labor as for foreign—and this is allowing too much—the foreign labor would get in wages to manufacture the whole American product one-half of \$57,225,560, the Ameri-

can cost of labor, which would be \$28,612,780, and deducting this, which is the estimated amount of wages paid in America more than in Europe to do the work, you get a net margin of protection to the American manufacturers of \$141,691,152 on men's clothing.

This is what the American manufacturer can charge over and above the legitimate profit of the foreign manufacturer, allowing that the American pays twice as much for labor.

Is this tariff levied for revenue? Certainly not. We only imported \$1,852,442, and the revenue obtained was \$1,532,785. This protection is absolutely in the interest of the American manufacturer, and not in the interest of the United States Treasury.

Every patriotic American citizen, if he knew when he bought a hat or woolen shirt, or woolen garment of any kind, that he was paying \$1.90 for it, and that 90 cents were going into the Treasury of his Government to pay the expenses of his Government he might not complain, because he would say that it is a necessary evil, and he is willing to be burdened as a patriot to pay the expenses of the Government; but when he is told that where the Government gets \$1 of revenue from this source, from men's clothing, the manufacturer of clothing gets a clear profit of \$82 [applause on the Democratic side] he becomes dissatisfied.

Now, I will not run through all of this line, but I want to give you what I think illustrates perfectly this situation.

Owing to the lateness of the hour I shall not weary you longer than is necessary to state these figures to you; and then I want Republicans, if they will dare, to go before the American people and explain these figures, and they were not gotten up by Democrats, but they were gotten up by men who surely will not misstate the facts.

Now, listen. In 1905, the total—

Mr. HEFLIN. The gentleman does not mean to leave the impression that Democrats would mislead the country or misstate the facts if they had gotten up these figures?

Mr. SISSON. I certainly do not, nor do I intend to say that they were not Republican officials; but I do think if there was a motive to do wrong about it the motive would be on the other side, and not with us.

Mr. CANDLER. The gentleman means to state that the figures which he quotes are obtained from governmental sources and officials of the Government?

Mr. SISSON. From the officials of the Government now.

Mr. JAMES. And in addition, I would suggest that while figures will not lie, liars will sometimes figure.

Mr. SISSON. That is true. The total amount of manufactures manufactured in the United States during 1905 was \$14,478,846,647. Now, you may add about 10 per cent, I am informed, to that for the manufactures now. The margin of protection, at an average of 45 per cent—and the margin of protection under this bill is 46.50 per cent, I believe—but at 45 per cent, which is the average under the Dingley law, let us see what the margin of protection was. It was \$4,493,334,770. The difference in labor cost, if labor cost twice as much as it cost abroad, would cause the American manufacturer to pay \$1,231,169,699 more than the foreign manufacturer would pay, because the total amount paid in wages for all the manufactures in the United States was \$2,462,339,398. Therefore you have a clean, clear-cut margin of protection upon all manufactures in the United States under the Dingley law, and it is higher under this bill, of \$3,262,265,071, which is a margin of protection against the consumer.

In other words, to get it in dollars and cents so that you can understand it, let us state it this way: If the American manufacturer takes advantage of the protection that he has, and if the people of the United States had in cash in 1905 fourteen billion four hundred and seventy-eight million and odd dollars, and were to buy their goods in the open market, they would have left in their pockets \$3,262,265,071, and under the present protection the manufacturer gets it all.

Now, it may be argued that the American manufacturer has not taken advantage of all this margin of protection. Then do angels grow in the form of men engaged in this industry and monsters in every other? No. A manufacturer, like any other man, will always get what he can for his product, and no Republican will deny it.

Then you find that American labor has received of the \$14,000,000,000 worth of his own toil about one-seventh of what he has earned during the year.

Is there any fairness in a schedule like this?

On the contrary, gentleman of the committee, it is a monstrous proposition, and there is no wonder that there have been failures to the amount during the last eighteen months of over \$650,000,000. [Applause on the Democratic side.]



Do you expect the American consumer to sit silently by without protest? He did not in Mr. Taft's campaign, because Mr. Taft was against the present protective tariff. And the Republicans who have been going up and down this land all these years singing the praises of Republicanism and the Dingley bill were compelled to admit at the last election that the Dingley law was bad, and said, "We pledge you that we will cure the defects in that and give you a material reduction." [Applause on the Democratic side.] Why? Because it meant the defeat of the Republican party if that was not done. But when they come before this House, what do we find? That they have revised it upward and not downward.

Now, gentlemen of the committee, I want to call your attention to one of the greatest evils, to my mind, that flows from the idea of protection. I have read as closely as I could, during the time I have had since I have had the hearings, the character of the questions asked and the answers given, and have noted the kind and character of men who went before the committee. I was astounded when I found that nearly every man that went before the committee with his facts and figures was a man having some selfish interest in this schedule, and that the Ways and Means Committee has given ear to that, and the sequence is that this bill is nothing more nor less than what these manufacturers wanted, because the Republican majority on that committee reported it exactly in accordance with the self-interests of these gentlemen as they went before the committee.

I come from a State where we only ask simple justice. We have not in my section of the State any interest that demands protection. In the southern portion of my State there have been some interests demanding protection on lumber. I told these gentlemen, when they came to see me, that I would not vote the protective tariff on any article, and they told me that if they did not get this protection it would destroy the lower grade of lumber, that they would be compelled to leave the timber in the woods, and I asked one of my friends what he would sell the lumber of this character for at his mill. He told me he would sell it at \$7.50 to \$8 a thousand. I told my friend, in the presence of several gentlemen, that I would take a hundred thousand feet of it, because I need it now to build some houses on a little farm that I own.

He says:

Sisson, I would like to sell you the lumber, but if I did, my name would be stricken from the retail dealers' association and my own market would be destroyed.

[Loud applause on the Democratic side.]

Yet, there was a controversy on this floor as to whether there was or was not a lumber trust.

Now, listen: There has only been one gentleman on the Republican side, so far as I have heard, who has admitted that there was such a thing as a trust, and that was the distinguished gentleman who preceded me. But when you come to hunt for one of the things you never find an office nor an officer. You find some sort of an agreement somewhere, and when the courts get after the trust and locate the right fellow, they do like they did down in Mississippi, they hide behind the constitutional protection and decline to give evidence against themselves. [Applause.] My colleague [Mr. BYRD] was right when he said there is an agreement; there is a trust, call it by name what name you please, with the Retail Lumber Dealers' Association, and whether the manufacturers are part of it or not, the American consumer is punished just as successfully as if they were. [Loud applause.]

When I tried to buy lumber, No. 2, to go over to Webb, Miss., where I wanted it, they told me they wanted \$16 a car to take one car of lumber. If I get a mixed car for the purpose of building a little house, I am charged \$18 for the same lumber at Webb, Miss. Is it fair? Is it right? Is it justice to the American consumer?

If we could just get a little competition, and the courts of the country, the federal courts, would be a little more active in fining these trusts, and the Republican party would be a little less active in levying contributions against them for campaign purposes, there would be some progress along the line of genuine reform. [Loud applause.]

I believe the Republicans, as a rule, are very good fellows, and you can not help but like many of them, but, I tell you, they are pretty shrewd fellows, you know. [Laughter.] When you begin to touch the great corporate interests of this country, you touch that which has been the mainspring of Republican success for the past thirty-odd years, because what they fail to do with coercion and threat they accomplish with corruption, campaign funds, evasions, and appealing to the federal courts, and have managed to accomplish the defeat of every honest reform that was ever advocated even by your own party. [Applause.]

Now, then, gentlemen of the committee, if this party now in power will carry out the pledges to the American people they will cut this schedule half in two. But I want to show you also the evil effect of this protection. Every industry is coming to Washington for protection. Mark what I tell you. Your protective idea is fostering socialism. If the large interests of the United States can come to the American Congress and get protection, then the laboring man wants to know why he can not get protection? We are confronted with the proposition that the American laborer is perhaps the only thing except "divi-divi," "catgut," and matters of that kind upon the free list. You will find that American labor is put down in the same schedule. If you thought of American labor as you say that you do, why do you not enact into law some protection for him from the horde of foreign immigrants that come from these pauper countries year by year? [Applause.]

You know you are asking for the cheapest labor that you can get. I do not criticize a man because he hires a hand just as cheaply as he can. I see my friend from Georgia [Mr. EDWARDS] sitting in front of me. Do you not employ labor as cheaply as you can in Georgia?

Mr. LANGLEY. Will the gentleman allow me to interrupt him?

Mr. SISSON. Certainly.

Mr. LANGLEY. The gentleman seeks to criticize our party for not keeping out foreign laborers. Will he explain what the difference is between keeping out the laborers themselves and keeping out the products of pauper labor?

Mr. SISSON. The difference is this: That where one man is engaged in a manufacture of one particular article or line of articles there are thousands of consumers that are purchasing it.

Mr. LANGLEY. That is not an answer.

Mr. SISSON. Yes; it does answer your question, because if you are the friend of labor you want to give them the highest wages first, and then give some protection against the pauper labor of Europe. [Applause.]

Mr. LANGLEY. I am in favor of keeping both out.

Mr. SISSON. You are continually clamoring here that you are giving protection to American labor. You give the same protection to American labor that the bird of prey gives to the dove. You wring from the laborer every dollar that you can, in order that you may put it into the coffers of the already too rich institutions of this country.

Mr. LANGLEY. I believe the gentleman said he was in favor of free lumber.

Mr. SISSON. Yes; I am in favor of free lumber.

Mr. LANGLEY. I believe your contention is that the tariff is added to the price of the article, and therefore if you take the tariff off of the lumber, it takes that much off the price of the lumber, and therefore it takes that much out of the wages of the laborers who are employed in that industry. Now, how can the gentleman explain?

Mr. SISSON. In the first place, I do not know, if you were to take the \$2 off of lumber, that it would materially reduce the price of lumber, because I believe that the lumber trust and the retail dealers' association may be able to control the price, anyway, but I am willing to try it and give them a tilt. Are you?

Mr. LANGLEY. I am not. I want lumber protected.

Mr. SISSON. Now, I want to show you that the great trouble with this party in power is not the fact that they have not had enough revenue. They have had more revenue to run this Government with than any other party had had in years; and when you look at the enormous expenses of running this Government, it is startling. If I can lay my hand on a memorandum I had here among my numerous papers, I will give you the figures.

I thought at first some of the Republicans around me had taken the paper. It is the first thing they have ever failed to take when it was in sight. [Laughter.] My friend LANGLEY comes from Kentucky, and he is pretty close to the border line. I suppose he has enough good genuine Democracy in him not to allow him to take everything. Now, I ask you to listen to these figures and carry them home. I do earnestly trust that my good Republican friend from Kentucky [Mr. LANGLEY] will lay these figures to his soul, and that he may ponder them this night, remembering that—

While the lamp holds out to burn,  
The vilest sinner may return.

[Laughter.]

Mr. HEFLIN. In the confusion a moment ago, I understood the gentleman from Mississippi to say to the gentleman from Kentucky that he was willing to have all the hindrances removed from the sale of lumber, and to let the law of supply and

demand regulate the price, and the gentleman from Kentucky [Mr. LANGLEY] said he was not.

Mr. LANGLEY. Mr. Chairman, in reply to my friend from Alabama, I have no hesitancy in saying that I am unwilling to have the present tariff removed from lumber. If my friend [Mr. Sisson] will give me the time, I want to say that the reason I am unwilling to have that tariff removed from lumber is that I believe in the American doctrine of protection to American industries and American labor, and I am glad to have this opportunity to say that. [Applause on the Republican side.]

I do not believe the duty on lumber ought to be reduced to \$1. Instead of that, I should like to have it increased if I could.

A MEMBER. What about free hides?

Mr. LANGLEY. I am opposed to free trade in anything that we produce. I am in favor of protection to every American industry.

Mr. Sisson. I must decline to yield further. I like to be courteous, but time is very precious. Do you know I am somewhat amused to see how a Republican, when you get him into a tight hole on this proposition, wiggles, twists, and squirms. "Now you see him, and now you don't." It is the little three-shell game. Where is the ball? And when the American people try to find it, it always turns out that it is not there. [Laughter.]

Mr. LANGLEY. Will my friend yield to me just a moment? I will ask him, is he, as a Democrat, opposed to the principle of protection, and is he opposed to the protection of the lumber industry? There has been some question down in my section of Kentucky as to whether Democracy is in favor of protecting lumber or not. I am glad to have this opportunity to put the gentleman and his party on record on that question.

Mr. Sisson. I will go on record with all my heart by saying I am opposed to protection on anything.

Mr. LANGLEY. I am in favor of it on everything, and therefore I disagree with the gentleman. [Applause on the Republican side.]

Mr. RUCKER of Missouri. Will the gentleman permit me to ask a question of the gentleman from Kentucky?

Mr. Sisson. I will.

Mr. RUCKER of Missouri. The gentleman from Kentucky says that he is ardently in favor of protection. I would like to ask him if he is in favor of more tax on whisky and beer?

Mr. LANGLEY. I certainly am; and if I have the opportunity I will vote for a tax of \$2 on beer and a higher tax on whisky, instead of any tax on tea and coffee. [Applause.]

Mr. Sisson. Now, gentlemen, I want to get back and show my good friend how much he and his party have been spending here lately. I know he and they do not want to hear it. You know I have heard the Republican party praise itself as being the only business party. They put their thumbs in their vest holes and look at us with a smooth and polite and suave manner, and say, "We are the business people of this country."

Let us see now what sort of people you have been in the past year. I always thought that a good business man was a man that would always spend the least amount of money and get the best results. I have thought that, when I employed a man to manage an industry for me and he ran the industry into the ground and left my treasury in a bad fix, it was bad management.

Mr. HUGHES of West Virginia. That is because you are a Democrat, and do not want to pay the laborer fair wages for his work. [Laughter.]

Mr. Sisson. My dear sir, you are not now discussing the proposition I am on. I am going to show you that you have been complaining that you did not have enough revenue. I am going to show you that in the last five years you have had more than has ever been collected in any five years during the history of the Government. Listen. The last five years of the Roosevelt administration cost this Government \$2,950,000,000. The five years of Lincoln's administration cost this Government \$2,604,000,000, and Lincoln fought the civil war; and the last year, 1865, the expenses were over \$1,000,000,000.

Mr. ENGLEBRIGHT. Will the gentleman please give the expenses of the last year of Andrew Jackson's administration? [Laughter.]

Mr. Sisson. Yes, sir.

Mr. LANGLEY. Here they are.

Mr. Sisson. I am afraid to take Republican figures. [Laughter.] Here are the figures, and I want to say now that they are about one-fifth as much per capita as they were under the Roosevelt administration. [Applause on the Democratic side.]

Now, listen. The last five years of the Roosevelt administration, as I stated a moment ago, cost this Government \$2,950,000,000, while the five years including McKinley's administration cost \$2,253,000,000, or \$697,000,000 more under the Roosevelt administration than it cost under Mr. McKinley, and McKinley fought the Spanish war.

Mr. HUGHES of West Virginia. If the gentleman will pardon me, that reminds me of the State in which I live, West Virginia. Under a Democratic administration the expenses of that State were about half of what they are at present, but under the Democratic administration we did not have any public institutions, we did not have any public schools, we had only four months term of schools, and now we have eight months. We have the best normal schools in the South, all under Republican administration.

Republicans spend money, but the people get value received.

Mr. Sisson. My dear friend, that may be true, but it must have come from the association of West Virginia in this House with national extravagance of the Republican party. [Laughter.] In my country we do not have that sort of Democrats, because we believe we run an economical government, and we do it, and get good results. I know these figures hurt, but they were made necessary by your party.

Now, then, gentlemen, I must be getting along, for I only want to detain the committee a moment or two longer. If I had not been interrupted you would have been relieved some time ago of this dissertation. I want to show you how you have increased the fixed expenses of running the Government and let you answer before the American people.

In 1880 the expenses of running the Government were \$255,618,541.91. Ten years after that it had increased to \$342,811,448.40.

That is an increase of about \$87,000,000, just about in proportion with the increase of the population.

In 1890 the expenses were as I stated a moment ago. In 1900, \$497,000,000, an increase of \$154,000,000, and, mark you, the Spanish-American war was fought then.

But let us see how the last five years of Republicanism compares with that, a time of profound peace.

In 1908 what did we spend? Six hundred and ninety million eighteen thousand nine hundred and forty dollars and ten cents, or deducting excess of interest on bonds, more than three times as much as was spent twenty-eight years ago. The above does not include special appropriations, but only fixed expenses upon the Government. If you include all appropriations during the last two years of Roosevelt's administration, it runs up to over one billion annually. At that ratio where will you be the next five years? Is there any wonder that the bread line is on the increase? Is there any wonder that your Treasury is found wanting? Is there any wonder that there was a panic during the last two years? [Applause on the Democratic side.]

Mr. ANDRUS. Will the gentleman yield?

Mr. Sisson. Yes.

Mr. ANDRUS. What year was that?

Mr. Sisson. In 1908.

Mr. ANDRUS. But the gentleman spoke of 1900 a few moments ago.

Mr. Sisson. I can not yield further, Mr. Chairman.

Mr. ANDRUS. My statement is this: That the gentleman stated the expenses of the Government for the year 1900 as six hundred and ninety-odd millions of dollars.

Mr. Sisson. No; \$690,000,000 for 1908, including net ordinary disbursements and interest on public debt and premiums.

Mr. ANDRUS. That is, \$64,000,000 in excess of what the reports state.

Mr. Sisson. Not if the statement I hold in my hand from the Secretary of the Treasury is correct.

Before I close, I want to call the attention of the committee to this amendment, which I want to offer to this bill if I am permitted, and it is this:

Amend by inserting after section 38 the following section, to be numbered 39:

"(a) That there shall be paid a tax of \$2 on each deadly weapon manufactured and sold or stored in any warehouse, factory, storehouse, or any other place for sale within the United States, by whatever name such deadly weapon may be called.

"(b) That this act shall cover all pistols, dirk knives, bowie knives, sword canes, stilettos, brass knuckles, and all other instruments commonly known as 'deadly weapons.'

"(c) That there shall be prepared by, or under the direction of, the Secretary of the Treasury of the United States an adhesive internal-revenue stamp in the denomination of \$2, to be placed upon all weapons taxed under this act, and when any of said weapons are sold or offered for sale by any manufacturer, corporation, person, or firm, the said manufacturer, corporation, person, or firm shall place a \$2 revenue stamp, prepared under this act, upon all weapons covered by and included in this act, and said stamp shall be canceled by the manufacturer, corporation, person, or firm, and shall bear the date upon



which the stamp is placed upon the weapon, and the stamp shall also bear the initials of the corporation, manufacturer, person, or firm canceling the same.

"(d) Any manufacturer, corporation, person, or firm who shall fail or refuse to comply with this act by selling or offering for sale in any warehouse, factory, storehouse, or any other place, any of the weapons mentioned or included in this act, or intended to be included in this act, without first placing thereon a \$2 revenue stamp shall be fined not more than \$1,000, or imprisonment for not more than six months, or both, in the discretion of the court.

"(e) This act does not apply to any arms of any kind sold to the United States Government nor to any State for her state militia."

If given an opportunity, I will offer this amendment and ask that the duty be taken off of some of the necessities of life, for example, from agricultural implements, boots and shoes, or some other necessity of life.

This amendment would require the lawless to pay some of the taxes of running this Government. Pistols were made to kill men with, dirk knives were made for cowardly fiends, brass knuckles for a Bowery bully, and this tax of \$2 would bring in considerable revenue from this class.

Now, Mr. Chairman, in conclusion let me say that the only thing we ask of this House, the only thing we ask of this Government, is to be treated fairly. Everything on earth that my people sell is sold in the open market. We raise more than \$600,000,000 worth of raw cotton annually, and of that amount more than \$400,000,000 is sold in the open market, for which gold is brought to our shores, and all of this protection that the manufacturers of the United States are getting is saddled as an extra burden upon my people.

May we not appeal to you to save us from the robbery of the cotton gambler and speculator? Decency demands it. Every State has a law against gambling. The gambler is an outlaw everywhere except in interstate commerce. Here he plies his nefarious business; here he fattens under the protection of the laws made by you.

Will you not help us drive the cotton gambler from the commerce of our great country? This we have the right to ask you to do, for the honor of our common country and for the protection of the cotton farmer of the South.

We furnish from the cotton fields of my section the raw material that makes possible a mighty industry in New England. Thousands of belching smokestacks blacken your skies to-day which would be cold and lifeless if we failed to make this crop of cotton and thousands of homes in New England would be desolate.

May we not ask you to come to our aid and assist us to exploit our cotton goods in every land?

While our crop is large, it is not half what the world needs and would buy if you will only give us a fair chance to go after business in the foreign markets of the world.

We do not ask to share in all the disbursements. We do not expect that. We have borne our portion of the pension roll and we have done it cheerfully, and, in addition to that, out of our poverty we have contributed to our own indigent soldiers, and, in addition to all that, we have taken care of an almost pauperized race. We have done that cheerfully.

I hail from a land whose bosom has been riven with the bolts of war, a land of sorrows, a land that has known many griefs; a land whose patriotism and devotion to principle and to this Union is pure after a test of fiery war and, what is still more, the crucible test of oppression and wrong. Out of it all the sunny South has emerged the fairest portion of this Union, true to her tradition of honesty and fair dealing. All she asks at the hands of this Government is fair treatment. She asks to be relieved at least of a portion of this burden which she has borne all these years. She has paid her portion of the pensions and has gotten nothing in return. But she has not complained. She has cared for her own beloved veterans at her own expense, in addition to caring for yours, and she will continue to cheerfully care for her own and she will not complain. She has built monuments to her own sacred dead at her own expense and has paid her portion of the tax to build monuments to the heroes of the Union, and she has not complained. No! On the contrary, when a common enemy shall assail us, she will cheerfully mingle her blood with yours in defense of the common country. Her sons will die as bravely and as cheerfully. Her daughters are as fair and can sing

My country, 'tis of thee,  
Sweet land of liberty,

with as much melody and heart as can those of any section of this Union.

With this devotion to our common country, as great as yours and certainly more unselfish, because we have carried our part of the burden but have not gotten anything in return for it, may I not in the name, then, of my people beg of you to reduce the tariff burden?

We ask at your hands that you give us that sort of schedule that will enable the consumers of my section, who sell everything they sell in the open market, not to continue this burden of an average of 45 per cent on everything we buy. [Applause on the Democratic side.]

We ask this simple justice at your hands, and I thank God that the time has come when we can strike hands across this aisle and those of us who have come on since the strife can look at Old Glory and can love it as you do. We fought for it as you did, or my ancestors did. In the late war with Spain we rallied to the defense of the common flag. Any dishonor there is dishonor to me and to my people, and we are willing to go with you in defense of the country when it is assailed by a common enemy.

The only thing we appeal to you for is a little simple justice. [Applause on the Democratic side.]

Mr. FOCHT. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and Mr. COLE, Speaker pro tempore, having resumed the chair, Mr. OLMSTED, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 1438, the tariff bill, and had come to no resolution thereon.

#### ADJOURNMENT.

Then, on motion of Mr. OLMSTED (at 10 o'clock and 30 minutes p. m.), the House adjourned.

#### PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials of the following titles were introduced and severally referred as follows:

By Mr. ESCH: A bill (H. R. 5702) to supplement an act entitled "An act to promote the safety of employees and travelers upon railroads"—to the Committee on Interstate and Foreign Commerce.

By Mr. SPARKMAN: A bill (H. R. 5703) increasing the pensions of those now receiving or entitled to pensions under the acts of Congress approved July 27, 1892, and June 27, 1902—to the Committee on Pensions.

By Mr. HUGHES of New Jersey: A bill (H. R. 5704) to establish a fish-cultural station in the State of New Jersey—to the Committee on the Merchant Marine and Fisheries.

By Mr. CLARK of Missouri: A bill (H. R. 5705) providing for the purchase of a site and the erection of a public building at Fulton, Mo.—to the Committee on Public Buildings and Grounds.

By Mr. SHEPPARD: A bill (H. R. 5706) to create a commission to develop sources of revenue outside of taxation, through the utilization of the natural resources of the public domain—to the Committee on Ways and Means.

By Mr. LIVINGSTON: A bill (H. R. 5707) for the relief of the State of Georgia—to the Committee on War Claims.

By Mr. HAMMOND: A bill (H. R. 5708) to create in the Department of War a roll to be known as the "Volunteers' honor roll," and to authorize placing thereon, with half pay, certain persons who served in the United States Army, Navy, or Marine Corps during the civil war—to the Committee on Military Affairs.

By Mr. LIVINGSTON: A bill (H. R. 5709) establishing the Atlanta national military park—to the Committee on Military Affairs.

Also, a bill (H. R. 5710) to appropriate the sum of \$605,756.51 to reimburse the State of Georgia for the use and occupation of the Western and Atlantic Railroad during the year 1865 by the military authorities of the United States, for moneys belonging to said State collected by said military authorities during said period and not heretofore repaid to said State, and for interest improperly collected from the management of said Western and Atlantic Railroad during the years 1866, 1867, and 1868—to the Committee on War Claims.

Also, a bill (H. R. 5711) to establish at Atlanta, Ga., a sub-treasury—to the Committee on Ways and Means.

Also, a bill (H. R. 5712) to provide a site and erect a public building in Fairburn, Ga.—to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 5713) to provide a site and erect a public building in Conyers, Ga.—to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 5714) to provide a site and erect a public building in Jonesboro, Ga.—to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 5715) to provide a site and erect a public building in Decatur, Ga.—to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 5716) to provide a site and erect a public building in Douglasville, Ga.—to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 5717) to provide a site and erect a public building in Covington, Ga.—to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 5718) to provide a site and erect a public building in Monroe, Ga.—to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 5719) to reimburse the State of Georgia money advanced in removal of the Creek and Cherokee Indians—to the Committee on War Claims.

By Mr. GRANT: A bill (H. R. 5720) to establish a fish hatchery in the Tenth Congressional District of North Carolina—to the Committee on the Merchant Marine and Fisheries.

By Mr. MAYS: A bill (H. R. 5878) to provide for the survey of St. Andrews Bay, Florida—to the Committee on Rivers and Harbors.

Also, a bill (H. R. 5879) to provide for the survey of Apalachicola Bay, Florida—to the Committee on Rivers and Harbors.

By Mr. BYRNS: A bill (H. R. 5880) fixing the salary of Members of Congress and Delegates—to the Committee on Appropriations.

By Mr. AMES: A bill (H. R. 5881) to regulate the business of insurance within the District of Columbia—to the Committee on the Judiciary.

By Mr. STEPHENS of Texas: A bill (H. R. 5882) requiring any citizen of a foreign country who may apply for a copyright registration or for letters patent from the United States for an invention to pay to the United States for such copyright or patent the same amount of fees and be subject to the same laws, rules, and regulations relating to the registration of copyrights and the issuance of letters patent, and relating to the issuance and maintenance of copyrights and letters patent as the Government of such foreign country exacts by its laws and regulations from citizens of the United States in such cases—to the Committee on Patents.

By Mr. SHEPPARD: A joint resolution (H. J. Res. 41) to increase and popularize the use of cotton materials in the United States by directing the executive departments to purchase same in preference to foreign materials, and by requesting companies, firms, and individuals to make purchases with the same object in view—to the Committee on Agriculture.

By Mr. STEPHENS of Texas: Joint resolution (H. J. Res. 42) setting aside certain lands within the Mescalero Indian Reservation in New Mexico for the use of the Indians thereon, and providing for the sale of the residue of the lands therein for the benefit of said tribe of Indians—to the Committee on Indian Affairs.

By Mr. KINKEAD of New Jersey: Resolution (H. Res. 46) that the next State to be admitted to the Union shall be called Lincoln—to the Committee on the Territories.

By Mr. PRAY: Memorial of the legislature of Montana, praying for the improvement of the Missouri River, the Yellowstone River, and the Red River of the North—to the Committee on Rivers and Harbors.

Also, memorial of the legislature of Montana, recommending the establishment of a new division of the Railway Mail Service, to include the States of Oregon, Washington, Idaho, and Montana, and the Territory of Alaska, to be designated as Division No. 13—to the Committee on the Post-Office and Post-Roads.

Also, memorial of the legislature of Montana, recommending the donation of 150,000 acres of public land to the state penitentiary of Montana, 150,000 acres in aid and on account of the state insane asylum, and 150,000 acres in aid and on account of the state orphan's home—to the Committee on the Public Lands.

Also, memorial of the legislature of Montana, praying for legislation providing for a reclassification of all the mineral lands of the State of Montana within the Northern Pacific land grant—to the Committee on the Public Lands.

#### PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions of the following titles were introduced and severally referred as follows:

By Mr. ALEXANDER of New York: A bill (H. R. 5721) granting an increase of pension to John Rupert—to the Committee on Invalid Pensions.

By Mr. ASHBROOK: A bill (H. R. 5722) granting an increase of pension to Joseph M. Lightell—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5723) granting an increase of pension to Ary R. Gardner—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5724) granting an increase of pension to Sarah C. Hupp—to the Committee on Invalid Pensions.

By Mr. BOWERS: A bill (H. R. 5725) for the relief of the estate of Harris Barnes, deceased—to the Committee on War Claims.

By Mr. CARLIN: A bill (H. R. 5726) granting a pension to Frank A. Howell—to the Committee on Pensions.

Also, a bill (H. R. 5727) granting an increase of pension to Ernest G. Lee—to the Committee on Pensions.

By Mr. CRAVENS: A bill (H. R. 5728) for the relief of the estate of Dorothy Davis, deceased—to the Committee on War Claims.

Also, a bill (H. R. 5729) for the relief of the estate of Nancy W. Estes—to the Committee on War Claims.

By Mr. DE ARMOND: A bill (H. R. 5730) granting an increase of pension to John Webber—to the Committee on Invalid Pensions.

By Mr. FORDNEY: A bill (H. R. 5731) granting an increase of pension to George K. Fairman—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5732) granting a pension to Robert Wetmore Lee—to the Committee on Pensions.

By Mr. FULLER: A bill (H. R. 5733) granting an increase of pension to George Hutson—to the Committee on Invalid Pensions.

By Mr. HAMMOND: A bill (H. R. 5734) granting a pension to Leonard E. Fowler—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5735) granting a pension to Alma C. Maxey—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5736) granting a pension to Otto Gimm—to the Committee on Pensions.

Also, a bill (H. R. 5737) granting an increase of pension to Albert Steinhäuser—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5738) granting an increase of pension to William Ballard—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5739) granting an increase of pension to Henry H. Herring—to the Committee on Invalid Pensions.

By Mr. HIGGINS: A bill (H. R. 5740) granting an increase of pension to George H. Young—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5741) granting an increase of pension to Clarissa A. Welden—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5742) granting an increase of pension to Antoinette A. Ripley—to the Committee on Invalid Pensions.

By Mr. HUGHES of New Jersey: A bill (H. R. 5743) granting a pension to Hugh Morgan—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5744) granting a pension to George Ihnath—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5745) granting a pension to William Haley—to the Committee on Pensions.

Also, a bill (H. R. 5746) granting a pension to Mary Ann Farley—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5747) granting a pension to Maria Yorkston—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5748) granting a pension to Marie Fraser—to the Committee on Pensions.

Also, a bill (H. R. 5749) granting a pension to Elizabeth Buhr—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5750) granting a pension to Michael J. Tully—to the Committee on Pensions.

Also, a bill (H. R. 5751) granting a pension to Sweeting Miles—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5752) granting an increase of pension to Eugene L. Smith—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5753) granting an increase of pension to James Emmens—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5754) granting an increase of pension to Lincoln W. Joscelyn—to the Committee on Pensions.

Also, a bill (H. R. 5755) granting an increase of pension to Frederick Smith—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5756) granting an increase of pension to Whitfield H. Lance—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5757) to remove the charge of desertion now existing on the records of the War Department against Charles Sansome—to the Committee on Military Affairs.

Also, a bill (H. R. 5758) to remove the charge of desertion now existing on the records of the Navy Department against Charles Berry—to the Committee on Naval Affairs.



By Mr. HULL of Iowa: A bill (H. R. 5759) granting a pension to Robert E. Brown—to the Committee on Pensions.

Also, a bill (H. R. 5760) granting an increase of pension to Madison C. Staves—to the Committee on Invalid Pensions.

By Mr. KINKAD of New Jersey: A bill (H. R. 5761) to correct the military record of Robert S. Brown—to the Committee on Military Affairs.

Also, a bill (H. R. 5762) to correct the military record of Edward Johnston—to the Committee on Military Affairs.

Also, a bill (H. R. 5763) to correct the military record of L. Metze—to the Committee on Military Affairs.

By Mr. LAMB: A bill (H. R. 5764) for the relief of J. B. Chandler and D. B. Cox—to the Committee on Claims.

Also, a bill (H. R. 5765) for the relief of James T. Caldwell—to the Committee on War Claims.

Also, a bill (H. R. 5766) for the relief of William M. Mantlo—to the Committee on War Claims.

Also, a bill (H. R. 5767) granting a pension to Isidore Cohen—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5768) for the relief of J. N. Whittaker—to the Committee on Claims.

Also, a bill (H. R. 5769) for the relief of the personal representative of the estate of Alexander Myers, deceased—to the Committee on Claims.

Also, a bill (H. R. 5770) for the relief of the trustees of the Olive Branch Christian Church, of James City County, Va.—to the Committee on War Claims.

By Mr. LENROOT: A bill (H. R. 5771) granting an increase of pension to Benjamin S. Kipp—to the Committee on Invalid Pensions.

By Mr. LIVINGSTON: A bill (H. R. 5772) for the relief of Charles L. Bradwell—to the Committee on War Claims.

Also, a bill (H. R. 5773) for the relief of Ambrose Chewing—to the Committee on War Claims.

Also, a bill (H. R. 5774) for the relief of Mrs. Susanna M. Clay—to the Committee on War Claims.

Also, a bill (H. R. 5775) for the relief of Joseph H. Davis—to the Committee on War Claims.

Also, a bill (H. R. 5776) for the relief of Elsas, May & Co.—to the Committee on War Claims.

Also, a bill (H. R. 5777) for the relief of Mrs. Emily Evans—to the Committee on War Claims.

Also, a bill (H. R. 5778) for the relief of William Ellis—to the Committee on War Claims.

Also, a bill (H. R. 5779) for the relief of Samuel I. Gustin—to the Committee on War Claims.

Also, a bill (H. R. 5780) for the relief of Edman Green—to the Committee on War Claims.

Also, a bill (H. R. 5781) for the relief of Jane Holbrook—to the Committee on War Claims.

Also, a bill (H. R. 5782) for the relief of George P. Howard—to the Committee on Claims.

Also, a bill (H. R. 5783) for the relief of W. R. Harris—to the Committee on Claims.

Also, a bill (H. R. 5784) for the relief of Joseph Lambert—to the Committee on War Claims.

Also, a bill (H. R. 5785) for the relief of George W. Symmes—to the Committee on Military Affairs.

Also, a bill (H. R. 5786) for relief of Walter Wadsworth—to the Committee on War Claims.

Also, a bill (H. R. 5787) for the relief of Andrew J. Wells—to the Committee on War Claims.

Also, a bill (H. R. 5788) for the relief of Micaiah Rasbury—to the Committee on War Claims.

Also, a bill (H. R. 5789) for the relief of Honora Ryan—to the Committee on War Claims.

Also, a bill (H. R. 5790) for the relief of George T. Reeves—to the Committee on War Claims.

Also, a bill (H. R. 5791) for the relief of Mrs. Sarah E. Youngblood—to the Committee on War Claims.

Also, a bill (H. R. 5792) for the relief of Mark Miller—to the Committee on War Claims.

Also, a bill (H. R. 5793) for the relief of Mrs. S. B. Lawrence—to the Committee on War Claims.

Also, a bill (H. R. 5794) for the relief of James A. Kennedy—to the Committee on War Claims.

Also, a bill (H. R. 5795) for the relief of J. W. McConnell—to the Committee on War Claims.

Also, a bill (H. R. 5796) for the relief of Ahijah Macy—to the Committee on Military Affairs.

Also, a bill (H. R. 5797) for the relief of the Christian Church of Atlanta, Ga.—to the Committee on War Claims.

Also, a bill (H. R. 5798) for the relief of the legal representative of James Doyle—to the Committee on War Claims.

Also, a bill (H. R. 5799) for the relief of the Atlanta (Ga.) Female Institute—to the Committee on War Claims.

Also, a bill (H. R. 5800) for the relief of the Georgia Railroad and Banking Company—to the Committee on Claims.

Also, a bill (H. R. 5801) for the relief of Lucy Reese, administratrix of the estate of John N. Swift, deceased—to the Committee on War Claims.

Also, a bill (H. R. 5802) for the relief of the St. Luke's Protestant Episcopal Church, of Atlanta, Ga.—to the Committee on War Claims.

Also, a bill (H. R. 5803) for the relief of the legal representatives of Alexander L. Williams, deceased—to the Committee on War Claims.

Also, a bill (H. R. 5804) for the relief of the Masonic Hall Company, of Atlanta, Ga.—to the Committee on War Claims.

Also, a bill (H. R. 5805) for the relief of N. C. Fears, administrator of the estate of W. S. Fears, deceased—to the Committee on War Claims.

Also, a bill (H. R. 5806) for the relief of the heirs of Greenberry Backus, deceased—to the Committee on War Claims.

Also, a bill (H. R. 5807) for the relief of the heirs of John C. Bowden, deceased—to the Committee on War Claims.

Also, a bill (H. R. 5808) for the relief of the heirs of Seaborn J. Burk, deceased—to the Committee on War Claims.

Also, a bill (H. R. 5809) for the relief of the heirs of Henry Bennett, deceased—to the Committee on War Claims.

Also, a bill (H. R. 5810) for the relief of the heirs of Benjamin F. Crowley, deceased—to the Committee on War Claims.

Also, a bill (H. R. 5811) for the relief of the heirs of Carr Cox—to the Committee on War Claims.

Also, a bill (H. R. 5812) for the relief of the heirs of Cornelius P. Cassin—to the Committee on War Claims.

Also, a bill (H. R. 5813) for the relief of the heirs of James Freeman—to the Committee on War Claims.

Also, a bill (H. R. 5814) for the relief of the heirs of Lydia Golasby, deceased—to the Committee on War Claims.

Also, a bill (H. R. 5815) for the relief of the heirs of Thomas and John Hollis—to the Committee on Claims.

Also, a bill (H. R. 5816) for the relief of the heirs of William H. Harvill, deceased—to the Committee on War Claims.

Also, a bill (H. R. 5817) for the relief of the heirs of Nancy Scroggins, deceased—to the Committee on War Claims.

Also, a bill (H. R. 5818) for the relief of the heirs of Blueford D. Smith—to the Committee on War Claims.

Also, a bill (H. R. 5819) for the relief of the heirs of Elizabeth Smith—to the Committee on Claims.

Also, a bill (H. R. 5820) for the relief of the heirs of William Sheppard—to the Committee on War Claims.

Also, a bill (H. R. 5821) for the relief of the heirs of William Wilmoth, deceased—to the Committee on War Claims.

Also, a bill (H. R. 5822) for the relief of the heirs of Robert Young Rodgers, deceased—to the Committee on War Claims.

Also, a bill (H. R. 5823) for the relief of heirs of C. E. Rosser, deceased—to the Committee on War Claims.

Also, a bill (H. R. 5824) for the relief of the heirs of James Peek, deceased—to the Committee on War Claims.

Also, a bill (H. R. 5825) for the relief of the heirs of A. K. Tribble, deceased—to the Committee on War Claims.

Also, a bill (H. R. 5826) for the relief of the heirs of Larkin Nash, deceased—to the Committee on War Claims.

Also, a bill (H. R. 5827) for the relief of the heirs of Gideon F. Mann, deceased—to the Committee on War Claims.

Also, a bill (H. R. 5828) for the relief of the heirs of Mrs. Ellen McAllister, deceased—to the Committee on War Claims.

Also, a bill (H. R. 5829) for the relief of the heirs of Anderson Mayfield, deceased—to the Committee on War Claims.

Also, a bill (H. R. 5830) for the relief of the heirs of William Markham, deceased—to the Committee on War Claims.

Also, a bill (H. R. 5831) for the relief of the heirs of Elisha Mashburn, deceased—to the Committee on War Claims.

Also, a bill (H. R. 5832) for the relief of the heirs of Thomas W. McArthur, deceased—to the Committee on War Claims.

Also, a bill (H. R. 5833) for the relief of the heirs of John M. King, deceased—to the Committee on War Claims.

Also, a bill (H. R. 5834) for the relief of the heirs of William Kile, deceased—to the Committee on War Claims.

Also, a bill (H. R. 5835) for the relief of the estate of Henry Banks, deceased—to the Committee on War Claims.

Also, a bill (H. R. 5836) for the relief of estate of Margaret Barge, deceased—to the Committee on War Claims.

Also, a bill (H. R. 5837) for the relief of the estate of Samuel E. Bratton, deceased—to the Committee on War Claims.

Also, a bill (H. R. 5838) for the relief of the estate of James A. Gregory—to the Committee on War Claims.

Also, a bill (H. R. 5839) for the relief of the estate of John J. Hart—to the Committee on War Claims.

Also, a bill (H. R. 5840) for the relief of the estate of Solomon Landis, deceased—to the Committee on War Claims.

Also, a bill (H. R. 5841) for the relief of the estate of James A. Stewart—to the Committee on War Claims.

Also, a bill (H. R. 5842) for relief of estate of Willis Ramsey—to the Committee on War Claims.

Also, a bill (H. R. 5843) for the relief of the estate of John M. Nace, deceased—to the Committee on War Claims.

Also, a bill (H. R. 5844) for the relief of the estate of Daniel B. Ladd, deceased—to the Committee on War Claims.

Also, a bill (H. R. 5845) to carry out the findings of the Court of Claims in the case of A. G. McDonald, administrator of Robert H. Green, deceased—to the Committee on War Claims.

Also, a bill (H. R. 5846) to carry out the findings of the Court of Claims in the case of G. W. Aycock, administrator of the estate of Reddick Aycock—to the Committee on War Claims.

Also, a bill (H. R. 5847) to carry out the findings of the Court of Claims in the case of Leopold Bickart—to the Committee on War Claims.

Also, a bill (H. R. 5848) to amend records of the War Department—to the Committee on Military Affairs.

Also, a bill (H. R. 5849) to amend the records of the War Department—to the Committee on Military Affairs.

Also, a bill (H. R. 5850) to authorize the Secretary of the Treasury to pay the claim of Mrs. Mattie Stewart Glover and Mrs. Katherine Stewart Ruse, the heirs at law and only legal representatives of the late William Stewart, of Mobile, Ala.—to the Committee on War Claims.

Also, a bill (H. R. 5851) for extra compensation to Capt. John Stewart—to the Committee on Claims.

By Mr. McHENRY: A bill (H. R. 5852) granting an increase of pension to Martha D. Bryson—to the Committee on Invalid Pensions.

By Mr. McKINLEY of Illinois: A bill (H. R. 5853) granting a pension to Lafayette Higginbotham—to the Committee on Pensions.

By Mr. A. MITCHELL PALMER: A bill (H. R. 5854) granting an increase of pension to Charles Stevens—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5855) granting an increase of pension to David G. Williamson—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5856) granting an increase of pension to Emilius F. Kemmerer—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5857) granting an increase of pension to H. Vandewater—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5858) granting an increase of pension to Evan Miller—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5859) granting an increase of pension to Jacob E. Dreibelbie—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5860) granting an increase of pension to Simeon Flory—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5861) granting an increase of pension to Theodore Brodt—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5862) granting an increase of pension to Jacob Hawk—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5863) granting an increase of pension to William H. Nevill—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5864) granting an increase of pension to Emanuel Kresge—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5865) granting a restoration of pension to Henry Hoffner—to the Committee on Invalid Pensions.

By Mr. RAUCH: A bill (H. R. 5866) to correct the military record of John Lynch—to the Committee on Military Affairs.

By Mr. REID: A bill (H. R. 5867) for the relief of W. H. Hicks, administrator of the estate of John Diehl, deceased—to the Committee on War Claims.

By Mr. SPARKMAN: A bill (H. R. 5868) for the relief of Samuel B. Ried—to the Committee on War Claims.

Also, a bill (H. R. 5869) for the relief of W. W. Carey—to the Committee on Claims.

Also, a bill (H. R. 5870) for the relief of the heirs of Elias E. Blackburn, late marshal of the northern district of Florida—to the Committee on War Claims.

Also, a bill (H. R. 5871) to correct the record of William Henry Beehler, commodore, United States Navy, and to place him on the retired list, United States Navy, with the rank of rear-admiral—to the Committee on Naval Affairs.

By Mr. STERLING: A bill (H. R. 5872) granting an increase of pension to Joal F. Terry—to the Committee on Invalid Pensions.

By Mr. TAYLOR of Colorado: A bill (H. R. 5873) granting an increase of pension to Elliott C. Wager—to the Committee on Invalid Pensions.

By Mr. THOMAS of North Carolina: A bill (H. R. 5874) granting a pension to William L. Carlton—to the Committee on Invalid Pensions.

By Mr. WOODYARD: A bill (H. R. 5875) granting an increase of pension to Matthew Corbitt—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5876) granting an increase of pension to John S. Clayton—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5877) granting an increase of pension to Samuel Baughman—to the Committee on Invalid Pensions.

#### PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. ASHBROOK: Petition of W. F. Piper, of Mansfield, Ohio, favoring repeal of duty on raw and refined sugars—to the Committee on Ways and Means.

Also, paper to accompany bill for relief of Ary R. Gardner—to the Committee on Ways and Means.

By Mr. BARTLETT of Georgia: Petition of 84 citizens of Macon, Ga., against a duty on tea and coffee—to the Committee on Ways and Means.

By Mr. BOEHNE: Petition of H. G. Weber and other citizens, of Evansville, and Carl F. Weisbrod and other citizens, of Richmond, Ind., against a duty on tea and coffee—to the Committee on Ways and Means.

By Mr. BURLEIGH: Petition of Joseph H. Wood, of Hulls Cove, Me., favoring repeal of duty on raw and refined sugars—to the Committee on Ways and Means.

By Mr. BUTLER: Petition of Coatsville Council, No. 421, Junior Order United American Mechanics, favoring an Asiatic exclusion law against all Asiatics other than merchants, travelers, and students—to the Committee on Foreign Affairs.

Also, petition of citizens of the Seventh Congressional District of Pennsylvania, against a duty on tea and coffee—to the Committee on Ways and Means.

By Mr. CALDER: Petition of James E. Morris & Co., of New York, relative to the following from the New York Journal of Commerce: "Withdrawal from bonded warehouses, free of duty and taxes, of domestic articles subject to internal-revenue tax and foreign articles subject to customs duties which are used as ship's stores on the high seas by vessels clearing for foreign ports; also allowance of drawbacks on articles of domestic manufacture made in whole or in part from dutiable materials, when consumed as ship's stores on the high seas"—to the Committee on Ways and Means.

Also, petition of Lithographers' International Protective and Beneficial Association, favoring an adjustment or equalization of rates to bring the specific duty to a uniform ad valorem equalization to conform with amendments as submitted to the Ways and Means Committee—to the Committee on Ways and Means.

Also, petition of William J. Monaghan, of Brooklyn, N. Y., favoring an increase of duty on wall paper—to the Committee on Ways and Means.

Also, petition of Business Men's Association of Norwalk, Conn., against reduction of tariff on print paper—to the Committee on Ways and Means.

Also, petition of Edward & John Burke (Limited), of New York City, favoring provision in new tariff bill where duty is specific to allow drawback on the container when in whole or part of American manufacture—to the Committee on Ways and Means.

By Mr. COOK: Petition of employees of the Jarden Lithographing Company, favoring increase of duty on lithographic products—to the Committee on Ways and Means.

Also, petition of Workingmen's Protective Tariff League, of Philadelphia, Pa., indorsing the hosiery schedule of the Payne tariff bill—to the Committee on Ways and Means.

By Mr. CRAVENS: Petition of Coaldale Council, No. 22, Junior Order of United American Mechanics, favoring Asiatic exclusion law that shall be effective against all Asiatics save merchants, students, and travelers—to the Committee on Immigration and Naturalization.

By Mr. DAWSON: Petition of Sweetland Grange, Muscatine County, Iowa, favoring reduction of duty on raw and refined sugars—to the Committee on Ways and Means.

By Mr. DODDS: Petition of citizens of the Seventh Congressional District of Michigan, against a duty on tea and coffee—to the Committee on Ways and Means.



Also, petition of retail dealers in manufactured tobacco of Elk Rapids, Mich., favoring a higher duty on manufactured tobacco—to the Committee on Ways and Means.

By Mr. DRAPER: Petition of Chamber of Commerce of Watertown, N. Y., against reduction in the existing tariff on print paper—to the Committee on Ways and Means.

By Mr. ESCH: Petition of Minneapolis Chamber of Commerce, against reduction of duty on barley—to the Committee on Ways and Means.

By Mr. FLOYD of Arkansas: Paper to accompany bill for relief of John W. Hughes—to the Committee on Invalid Pensions.

By Mr. FOCHT: Petitions of citizens of Newport, Millers-town, Mount Union, Lewistown, and Saltillo, Pa., favoring repeal of duty on hides—to the Committee on Ways and Means.

By Mr. FORNES: Petition of citizens of the Eleventh Congressional District of New York, against a duty on tea and coffee—to the Committee on Ways and Means.

By Mr. FULLER: Petition of Seggerman Brothers, of New York City, against increase of tariff on chicory—to the Committee on Ways and Means.

Also, petition of C. H. Ronne, of Chicago, Ill., favoring reduction of duty on raw and refined sugars—to the Committee on Ways and Means.

Also, petition of Germania Importing Company, of New York, for maintenance of present rate of duty on paper at 25 per cent ad valorem—to the Committee on Ways and Means.

Also, paper to accompany bill for relief of George Hudson—to the Committee on Invalid Pensions.

Also, petition of Max Lowenthal & Bro., of Rochester, N. Y., relative to the tariff on wool—to the Committee on Ways and Means.

Also, petition of Charles Gilbert Hawley, of Chicago, against proposed tariff on patents, etc., as set forth in section 41 of the Payne tariff bill—to the Committee on Ways and Means.

Also, petition of Hardwood Manufacturers' Association of the United States, against reduction on lumber and its products—to the Committee on Ways and Means.

By Mr. GALLAGHER: Petition of Chicago (Ill.) Lodge, No. 4, Benevolent and Protective Order of Elks, favoring a reserve for the American elk—to the Committee on the Public Lands.

Also, petition of citizens of the Eighth Congressional District of Illinois, against a duty on tea and coffee—to the Committee on Ways and Means.

Also, petition of lithographic workmen, favoring an increased duty over the Dingley tariff on lithographic products—to the Committee on Ways and Means.

Also, petition of Pasteur Vaccine Company (Limited), against a duty on biological products—to the Committee on Ways and Means.

Also, petition of executive committee of Woman's Board of Missions of the Interior, of the Congregational denomination, of 16 States, against proposed increased tariff on hosiery, gloves, and linens in the Payne tariff bill—to the Committee on Ways and Means.

By Mr. HAMILTON: Petition of residents of the Fourth Congressional District of Michigan, against a duty on tea and coffee—to the Committee on Ways and Means.

By Mr. HAYES: Petition of Chamber of Commerce of San Diego County, Cal., favoring a line of freight and passenger steamers touching at all principal ports on the Pacific coast and connecting at Panama with the Panama Railway—to the Committee on the Merchant Marine and Fisheries.

Also, petition of citizens of San Francisco and citizens of San Jose, Cal., against a duty on tea and coffee—to the Committee on Ways and Means.

By Mr. HULL of Iowa: Petition of John C. McCombs and others, for the bill granting badges to all soldiers of the civil and Spanish wars—to the Committee on Military Affairs.

Also, petition of citizens of the Seventh Iowa Congressional District, against a duty on tea and coffee—to the Committee on Ways and Means.

Also, petition of Samuel O. Tungate, of Des Moines, Iowa, favoring reduction of duty on raw and refined sugars—to the Committee on Ways and Means.

By Mr. LANGHAM: Petition of 211 citizens of Apollo, Big Run, Falls Creek, and Reynoldsville, all in the Twenty-seventh Congressional District of Pennsylvania, favoring repeal of duty on hides—to the Committee on Ways and Means.

Also, petition of American Plate Glass Manufacturers' Association, favoring an increase of duty on plate glass—to the Committee on Ways and Means.

By Mr. MANN: Petition of citizens of Chicago, against a duty on tea and coffee—to the Committee on Ways and Means.

Also, petition of citizens of the Second Congressional District of Illinois, against a tariff on tea and coffee—to the Committee on Ways and Means.

By Mr. OLCOTT: Petition of citizens of the Fifteenth Congressional District of New York, against a duty on tea and coffee—to the Committee on Ways and Means.

By Mr. PAYNE: Petition of Enterprise Grange, No. 597, Oak Corners, Ontario County, N. Y., favoring a general parcels post—to the Committee on the Post-Office and Post-Roads.

By Mr. PARSONS: Petition of citizens of the Thirteenth Congressional District of New York, against a duty on tea and coffee—to the Committee on Ways and Means.

Also, petition of lithographic laborers of the Thirteenth Congressional District of New York, against reduction of the tariff on lithographic products—to the Committee on Ways and Means.

By Mr. PRAY: Petition of Symons Dry Goods Company and other business firms of Butte, Mont., against an amendment to the glove schedule proposed by the Glove Manufacturers' Association—to the Committee on Ways and Means.

Also, petition of John Neubert and others, against a duty on tea and coffee—to the Committee on Ways and Means.

By Mr. REEDER: Petition of mine workers, for a tariff on crude oil—to the Committee on Ways and Means.

By Mr. SMITH of Michigan: Petition of J. C. Shepard and 40 others, of Genesee County, Mich., favoring amendment to the Constitution allowing women to vote—to the Committee on the Judiciary.

By Mr. SPARKMAN: Petition of Jacksonville (Fla.) Board of Trade, against reduction of duty on lumber—to the Committee on Ways and Means.

By Mr. TAYLOR of Colorado: Petition of citizens of Mirage, Aspen, and Florence, all in the State of Colorado, against a duty on tea and coffee—to the Committee on Ways and Means.

By Mr. TAYLOR of Ohio: Petition of citizens of Columbus, Ohio, against a duty on tea and coffee—to the Committee on Ways and Means.

Also, petition of the Scheffel Shoe Manufacturing Company and other petitioners, for removal of duty on hides—to the Committee on Ways and Means.

Also, petition of Dunn, Tift & Co., and other citizens of Columbus, Ohio, against the glove schedule of the Payne bill—to the Committee on Ways and Means.

Also, petition of Fred Wright and other citizens of Columbus, Ohio, against a duty on tea and coffee—to the Committee on Ways and Means.

Also, petitions of Columbus Lithographing Company, Walter G. Sulzer and other citizens of Columbus, and J. Luther Hughes and other citizens of Ohio, for a higher duty on all lithographic products—to the Committee on Ways and Means.

By Mr. WANGER: Petition of C. W. Lessig, sr., and 24 other residents of Pottstown, Montgomery County, Pa., for the removal of the duty on raw hides—to the Committee on Ways and Means.

Also, protest of American manufacturers of plate glass, against the reduction in rates of duty upon imports of plate glass—to the Committee on Ways and Means.

Also, resolutions adopted by the Cattle Raisers' Association of Texas in thirty-third annual convention assembled in Fort Worth, Tex., March 18, 1909, urging that the tariff on hides and cattle be retained and that reciprocal trade agreements be established with foreign countries, whereby our surplus of cattle and meat products will find a ready market in such countries—to the Committee on Ways and Means.

Also, protest of Mrs. Lewis T. Rhoads, of Mont Clare, Montgomery County, Pa., and 14 other residents of that locality, against the imposition of any duty or tax on teas or coffees by Congress—to the Committee on Ways and Means.

Also, resolutions adopted by the Pennsylvania Free Hide League, assembled at Harrisburg, Pa., March 23, 1909, requesting Congress to restore hides to the free list—to the Committee on Ways and Means.

By Mr. WILSON of Pennsylvania: Petition of G. E. Darby and 186 other residents of the Fifteenth Congressional District of Pennsylvania, for free hides—to the Committee on Ways and Means.

Also, petition of David R. Evans and 42 others, of Blossburg, Pa., against a duty on tea and coffee—to the Committee on Ways and Means.

Also, petition of Lock Haven (Pa.) Lodge, No. 182, Benevolent and Protective Order of Elks, favoring the preservation of the American elk—to the Committee on the Public Lands.

Also, petition of H. L. Berger and 22 others, of Muncy, Pa., for removal of duty on hides—to the Committee on Ways and Means.

Also, petition of Local Union No. 929, United Mine Workers of America, of Oglesby, Ill., against decision of Judge Wright in relation to Samuel Gompers, Mitchell, and Morrison—to the Committee on the Judiciary.

Also, petition of Schwarzenbach Brewing Company, of Galeton, Pa., for removal of duty from Canadian barley—to the Committee on Ways and Means.

By Mr. WOOD of New Jersey: Petition of Mercer County local Socialist party, of Trenton, N. J., for abrogation of treaty with Russia—to the Committee on Foreign Affairs.

Also, petition of Trenton (N. J.) Lodge, No. 105, Benevolent and Protective Order of Elks, for a reserve in Wyoming for the American elk—to the Committee on the Public Lands.

Also, petition of citizens of Clinton, N. J., against parcels-post and postal savings bank legislation—to the Committee on the Post-Office and Post-Roads.

## HOUSE OF REPRESENTATIVES.

TUESDAY, March 30, 1909.

The House met at 10 o'clock a. m., and was called to order by Mr. Browning, its Chief Clerk, who read the following letter:

I hereby designate Hon. JAMES B. PERKINS, of New York, as Speaker pro tempore.

J. G. CANNON, Speaker.

### SPEAKER'S ROOM.

Mr. PERKINS assumed the chair as Speaker pro tempore and called the House to order.

Prayer by the Chaplain, Rev. Henry N. Couden, D. D.

The Journal of the proceedings of yesterday was read and approved.

### THE TARIFF.

Mr. PAYNE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 1438.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 1438, the tariff bill, Mr. OLMSTED in the chair.

The CHAIRMAN. The Chair will state that the gentleman from Georgia [Mr. BARTLETT] expected to be heard this morning, but is unable to be present. The Chair will, for the convenience of Members, state he will recognize first the gentleman from Ohio [Mr. Cox] for thirty minutes, then the gentleman from Georgia [Mr. HUGHES] for thirty minutes, then Mr. BATES, followed by Mr. VREELAND, of New York. The gentleman from Ohio [Mr. Cox] is recognized for thirty minutes.

Mr. COX of Ohio. Mr. Chairman, in going into a discussion of this subject I speak as the representative of a district which not only produces but exports more manufactured goods than any district in America. The third Ohio district within its history, in the persons of Gen. Robert Schenck and Lewis D. Campbell, has twice supplied the chairman of the Ways and Means Committee, a distinction enjoyed by no other district; so that beyond commercial considerations it has always taken a keen interest in the affairs of the tariff. I believe it is entirely worthy of remark that this industrial center has not been a part of the attempted misrepresentations in the tariff hearings before the Committee on Ways and Means. I am sure that I speak entirely within the truth when I assert that not one manufacturer from this very important industrial scene has asked for a schedule or a set of schedules in his own behalf at the expense of the great American consumer. Our vast industrial concerns not only feel secure against foreign invasion, but, gentlemen, they stand ready to beat any foreign competitor upon his own soil if this Government will give them half a chance. The reason for this primarily is that we have reached an uncommon development in the manufacturing art, and inasmuch as it is fair to assume that newer industrial centers will in time attain this same status, then it is entirely proper that certain of our conditions as affected by the tariff should be cited as a warning to every industrial community in this country. I desire, therefore, to ask the Clerk to read the following letter.

The Clerk read as follows:

THE DAVIS SEWING MACHINE COMPANY,  
Dayton, Ohio, U. S. A., March 25, 1909.

Hon. JAMES M. COX,  
House of Representatives, Washington, D. C.

DEAR SIR: In reply to your telegram, we beg leave to advise you that on account of Germany working under the most-favored-nation clause with other foreign countries, that country is in a better position to

manufacture and ship sewing machines and bicycles into Russia, France, and the other continental countries at about one-half the tariff that is imposed upon the American products in this line.

If your honorable body could see its way clear to reduce the tariff on sewing machines and bicycles to about 20 per cent, instead of 45 per cent, we would then be in a position where our foreign trade could go to their countries and ask for a reduction on American-made products in this line. Otherwise, we are going to be compelled to give up our foreign business entirely or establish factories in Germany and Russia, and possibly France. If we do this, it will decrease our working force in this country over one-third, and eventually probably one-half, as we are making strenuous efforts to build up a large foreign trade, and if our Government is not going to stand back of us and help us to take care of it, by putting us in as good a position as Germany is in, we are going to be forced to do one of the above-mentioned things. We have been urgently solicited for the past five years by our customers in France and Germany to establish a factory in those countries, and we have had under consideration the building of a factory in Germany, but have lived in hopes that our Government would do something to relieve the situation; consequently, we have been waiting to see what would be done by the present administration. By building a factory in Germany we can reach the other countries on the same basis that our competitors are reaching them, and that would relieve the situation just that much.

The Singer Sewing Machine Company have established factories in Canada, England, Germany, and Russia, much to the detriment of the workmen of this country, which would all have been obviated had we been doing business with the other countries as one of the most favored nations.

Thanking you for taking up this question with us, and hoping that you will be able to induce your co-Members to relieve this situation, we beg to remain,

Yours, very respectfully,

THE DAVIS SEWING MACHINE CO.,  
F. T. HUFFMAN, President.

Mr. COX of Ohio. Gentlemen, that concern employs 3,000 skilled workmen. It turns out 600 sewing machines and 200 bicycles every day, and it is the largest independent sewing-machine factory in the world, and likewise the largest independent bicycle concern in the world. This factory has asked the Committee on Ways and Means to reduce the tariff on its finished products—sewing machines and bicycles—but the request has not been heeded. And now I ask, not in defiance, but in most respectful inquiry of the framers and the advocates of this bill, that they point out a single provision within it which will reach this very situation described in that letter, namely, that under the present intolerable conditions of the prohibitory tariff they will be compelled to establish factories abroad, and thus divide and disintegrate this large industrial concern in Ohio. You have in the construction of this bill abrogated the right to make trade agreements. The State Department has the inherent right under the Constitution to make treaties; but if a reciprocity treaty disturbs a single tariff schedule, then it must come to Congress. You have insisted that your minimum and your maximum arrangement would so regulate the industrial affairs as between this country and foreign countries as would well conserve our industrial institutions. I now ask you to show me wherein your maximum and minimum arrangement will provide for the very situation which is so eloquently pointed out by this large industrial concern from the Miami Valley, in Ohio.

If it fails in this, then is it not entirely fair to assume that it is absolutely impractical? Gentlemen, you from the districts of vested interests, which know nothing of the wide commerce of the world, will understand within a very few years that your maximum and minimum arrangement is not worth the paper that it is written on. [Applause on the Democratic side.] If it fails in this, it will fail generally, because in the large affairs of commerce this is bound to be a very common occurrence. You are going to find that in matters of world-wide industry there must be brought to the situation the human agency of negotiation and compromise. An "automatic," mechanical legislative device will not reach. And in this connection I want to read from another large concern in our part of the country—the Computing Scale Company, of Dayton—the following:

Our product is not greatly affected by an import tariff. I refer now to the finished product. It is, however, somewhat affected by import duty on raw material of several kinds, and with two exceptions this import duty cuts little figure, either one way or the other, in our product.

The writer, who has personally conducted the extension of our trade into all foreign countries, has been forced to the conclusion that the high-tariff wall surrounding our own country has been considered a very important factor to be overcome by the officials whose duty it was to consider the acceptance of our goods in those countries. I think the same condition exists, in a great measure, with respect to many food products that are imported into foreign countries. This prejudice, however, we have not found to extend to the tradesmen generally; it might occasionally, but not to a sufficient amount to consider at all seriously.

That is to say, the fact that our country has the reputation in all countries abroad of being one of high protection, and in many instances a prohibitive tariff, creates, according to my observation, a prejudice against us, and where it is possible to do so prevents the introduction of American goods into those countries. It matters not so much the particular kind of goods, or the tariff having a bearing